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ROUTING AND RECORD SHEET

SUBJECT: (Optional) Revision of Title 4 of the GAO Policy and Procedures Manual for Guidance of Federal Agencies

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2 July 85

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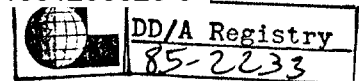
OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.	D/OF				<p>Please review the attached document and provide comments and/or suggestions to the DDA by 9 August 85.</p> <p>After receiving your comments we will prepare a consolidated response informing GAO of any appropriate Agency interests relative to the revision of their policy and procedures manual.</p>
2.	D/OL				
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4.	Office of General Counsel				
5.	Office of Legislative Liaison				
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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548



June 17, 1985

**GENERAL GOVERNMENT
DIVISION**

HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES:

**SUBJECT: Revision of Title 4 of the GAO Policy and
Procedures Manual for Guidance of Federal
Agencies**

The U.S. General Accounting Office is in the process of revising Title 4 of the GAO Policy and Procedures Manual for Guidance of Federal Agencies. This manual provides guidance for the settlement of claims by and against the United States. For the initial phase of the project we are requesting agency input for needed revisions or additions to Title 4. For your convenience, a copy of the current Title 4 is enclosed.

In some agencies, we have been able to identify specific individuals who use and are familiar with Title 4, and we are writing them directly and asking them for their comments and suggestions.

A new chapter on judgments against the United States will be added to Title 4. If you have any suggestions about this chapter or if you feel any other chapters should be added, please let us know.

Please forward any suggestions you may have for revisions or additions to Title 4 by August 20, 1985, to the following address:

U.S. General Accounting Office
General Government Division - Claims Group
441 G Street, NW.
Room 5047
Washington, DC 20548

Attn: Dan Dietz
Title 4 Project Coordinator

Once we have a revised draft of Title 4 we will provide agencies with an opportunity to comment on the proposed revisions. If you have any questions, you should call Mr. Dietz on (202) 275-3102 (commercial and FTS).

W. J. Anderson

William J. Anderson
Director

Enclosure

GAO MANUAL FOR GUIDANCE OF FEDERAL AGENCIES
Title 4--CLAIMS

TRANSMITTAL SHEET NO. 4-21

Effective date: Immediately.

Material transmitted:

Complete revision of Title 4 and revised Table of Contents.

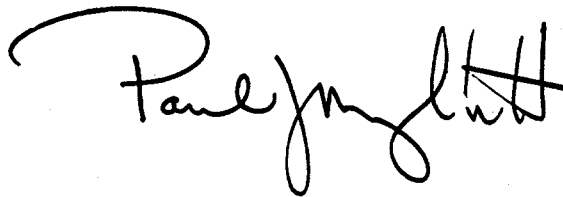
Purpose

This revised title is one of a series which GAO is issuing in this new larger size, suitable for filing in a standard three-ring binder. The revisions:

- simplify the procedure for settling doubtful claims of \$25 or less
- provide new guidelines for handling false claims
- add guidelines for processing applications for waiver under the provisions of 5 U.S.C. 5584, 10 U.S.C. 2774, 32 U.S.C. 716, and 4 CFR 91-93.

Filing instructions

Remove and Destroy:	All pages of the current Title 4 and table of contents.
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FOR THE COMPTROLLER GENERAL
OF THE UNITED STATES

PLEASE RETAIN THIS TRANSMITTAL SHEET. IT IS PART OF THE DOCUMENT.

TITLE 4--CLAIMS

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TITLE 4--CLAIMS

CHAPTER 1--INTRODUCTION TO TITLE

SECTION 1--SCOPE AND PURPOSE OF TITLE

1.1 SCOPE

The material in this title relates to all classes of claims by and against the United States except (1) those claims which are under the exclusive jurisdiction of administrative agencies pursuant to specific statutory authority and (2) claims for charges for transportation services furnished for the account of the United States, which are to be filed with the General Services Administration or the agencies out of whose activities they arise. However, claims by carriers and forwarders against the United States for amounts administratively deducted from transportation payment vouchers in connection with loss of or damage to property are covered by this title and are to be filed in the General Accounting Office.

1.2 PURPOSE

The purpose of this title, in connection with the claims which are within its scope, is (1) to identify the claims against the United States which are required to be settled by the General Accounting Office before payment is made or denied and to prescribe procedures relating to those claims, (2) to prescribe the procedures relating to those claims which may be paid administratively under regulations of the General Accounting Office, and (3) to prescribe the principles relating to administrative efforts to collect claims asserted by the United States and the procedures controlling the reporting of such claims to the General Accounting Office for adjudication and collection.

SECTION 2--STATUTORY AUTHORITY RELATING TO SETTLEMENT OF CLAIMS

2.1 STATUTORY AUTHORITY RELATING TO SETTLEMENT OF CLAIMS BY THE GENERAL ACCOUNTING OFFICE

The General Accounting Office is authorized by section 305 of the Budget and Accounting Act, 31 U.S.C. 71, to settle and adjust all claims and demands by and against the United States. In addition to this general statutory authority, various laws provide that specific classes or types of claims against the United States may be paid only after settlement by the General Accounting Office. On the other hand,

CLAIMS

SUBSEC. 2.1

disposition of certain claims either by or against the Government has been placed by statute within the exclusive jurisdiction of the administrative agency concerned, and other laws provide that certain claims against the Government may be paid administratively under regulations prescribed by the General Accounting Office. With reference to the statutory right of the heads of departments and establishments, disbursing officers, and certifying officers to secure decisions in advance of payment, see 1 GAO 11.1.

SECTION 3--DISCHARGE OF STATUTORY
SETTLEMENT AUTHORITY

3.1 CLAIMS AGAINST THE UNITED STATES

The General Accounting Office discharges its responsibility for the settlement of claims against the United States in three ways: (1) through the audit of transactions after payment and the settlement of the accounts of accountable officers, (2) by adjudication before payment is made or denied, and (3) by adjudication upon appeal following denial of a claim by an agency. Claims against the United States which must be adjudicated before payment is made or denied fall into two classes: first, those as to which there exists such doubt as to reasonably preclude action by the administrative agency in the absence of specific statutory authority and, second, those which the administrative agencies are specifically prohibited by law from paying prior to settlement by the General Accounting Office.

3.2 CLAIMS BY THE UNITED STATES

To the extent that administrative agencies are able to collect, compromise, terminate, or suspend action on claims by the United States pursuant to authority contained in title 4, chapter II of the Code of Federal Regulations, the responsibility of the General Accounting Office for settlement of such claims is discharged through the examination of administrative records and the audit and settlement of the accounts of accountable officers. Those claims by the United States which contain elements of doubt as to the amount and validity of the Government's claim and those in which the administrative agencies are unable to take final collection action are required, subject to procedures prescribed in this title, to be submitted to the General Accounting Office for consideration.

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CHAPTER 2--CLAIMS AGAINST THE
UNITED STATES--GENERAL PROCEDURES

SECTION 4--SCOPE OF CHAPTER

This chapter prescribes general procedures applicable to claims against the United States, including claims involving damage and setoff matters arising from freight and transportation services, which must be adjudicated in the General Accounting Office before payment is made or denied. Special procedures applicable to specified types or classes of claims against the United States will be found in subsequent chapters of this title. (The "Claims Division of the General Accounting Office" will hereafter be referred to as the "Claims Division.")

SECTION 5--CLAIMS AGAINST THE UNITED
STATES WHICH MUST BE ADJUDICATED
BEFORE PAYMENT IS MADE OR DENIED

5.1 CLAIMS REQUIRED TO BE SUBMITTED TO CLAIMS DIVISION

The following classes of claims may not be paid or denied administratively, but must be forwarded to the Claims Division for adjudication, unless otherwise specifically provided by law:

(1) Claims which involve doubtful questions of law or fact, except those under \$25, as provided in section 5.3 of this title, and claims which have been the subject of an advance decision of the Comptroller General, in which case a reference to the decision must appear on the voucher supporting the payment;

Note: When a claim contains items which involve doubt and items which the agency can settle administratively, only the doubtful portions over \$25 should be referred to GAO for settlement.

(2) Claims, regardless of doubt, which are required by statute, by regulation appearing in other chapters of this title, or by decision of the Comptroller General, to be settled in the General Accounting Office before payment is made or denied;

(3) Reclaims of items previously denied by the administrative agency, unless it is determined administratively that the action taken was clearly

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in error and properly can be corrected by the agency; and

(4) Claims which appear to be barred by an applicable statute of limitation at the time of receipt by an administrative agency.

5.2 DOUBTFUL CLAIM DEFINED

A claim is doubtful when in the exercise of reasonable prudence either a person having final responsibility for deciding appropriate administrative action or the person who, in accordance with applicable statutes, will be held accountable if the claim were paid and then found to be incorrect, illegal, or improper, is unable to decide with reasonable certainty the validity and correctness of the claim.

5.3 SIMPLIFIED PROCEDURE FOR DOUBTFUL CLAIMS OF \$25 OR LESS

Claims of \$25 or less, involving doubtful questions of law or fact, may be settled by the agency in which the claim arose, relying upon written advice from an agency official designated by the head of each department or agency to provide such advice. If paid, a copy of the document containing such advice should be attached to the voucher, and the propriety of any such payment will be considered conclusive on the General Accounting Office in its settlement of the accounts involved.

SECTION 6--FILING REQUIREMENTS
FOR CLAIMANTS

6.1 FORM OF CLAIM

Unless otherwise specifically provided, claims will be considered only when presented in writing over the signature and address of the claimant or over the signature of the claimant's authorized agent or attorney. Generally, no particular form is required for filing a claim; however, claim forms are prescribed in succeeding chapters of this title for specific classes of claims.

6.2 CLAIM FILED BY ATTORNEY OR AGENT

A claim filed by an agent or attorney must be supported by a duly executed power of attorney or other documentary evidence of the agent's or attorney's right to act for the claimant. See 1 GAO 19.8.

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6.3 WHERE CLAIMS SHOULD BE FILED

Action will generally be expedited if claimants file their claims initially with the administrative department or agency out of whose activities they arose. Claims which cannot be disposed of administratively will be transmitted to the Claims Division by the administrative office. However, if the statutory period of limitation is about to expire (see 4 GAO 7), claims should be addressed to:

Claims Division
U.S. General Accounting Office
Washington, D.C. 20548

SECTION 7--STATUTORY LIMITATIONS
ON CLAIMS

7.1 STATUTORY LIMITATIONS RELATING TO CLAIMS GENERALLY

Sections 1 and 2 of the act of October 9, 1940, 54 Stat. 1061, 31 U.S.C. 71a, as amended by Public Law 93-604, which was approved January 2, 1975, and effective July 2, 1975, provide:

"(1) Every claim or demand (except a claim or demand by any State, Territory, possession or the District of Columbia) against the United States cognizable by the General Accounting Office under sections 71 and 236 of this title shall be forever barred unless such claim, bearing the signature and address of the claimant or of an authorized agent or attorney, shall be received in said office within 6 years after the date such claim first accrued: Provided, that when a claim of any person serving in the military or naval forces of the United States accrues in time of war, or when war intervenes within 5 years after its accrual, such claim may be presented within 5 years after peace is established.

"(2) Whenever any claim barred by subsection (1) of this section shall be received in the General Accounting Office, it shall be returned to the claimant, with a copy of this section, and such action shall be a complete response without further communication."

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If the statutory period of limitations will soon expire, claimants should submit their claims directly to the Claims Division. (However, see 4 GAO 6.3.) In order to protect the interests of claimants, claims received by agencies as to which the right of payment accrued 4 years or more prior to the date of receipt and which cannot promptly be approved and paid in the full amount claimed will immediately be referred to the Claims Division. These claims will be recorded in the General Accounting Office, after which they will be returned to the agencies for payment, denial, or referral back to the General Accounting Office for adjudication.

7.2 STATUTORY LIMITATION ON CHECK CLAIMS

Section 2 of the act of June 22, 1926, as amended, 31 U.S.C. 122, provides:

"Hereafter all claims on account of any check, checks, warrant, or warrants appearing from the records of the General Accounting Office or the Treasury Department to have been paid, shall be barred if not presented to the General Accounting Office or the Treasurer of the United States within six years after the date of issuance of the check, checks, warrant, or warrants involved. However, any claims for the proceeds of checks payable in Philippine pesos heretofore issued in payment of claims certified by the Philippine War Damage Commission, shall not be barred if received by the representative of the Chief Disbursing Officer, United States Treasury Department, at Manila, Republic of the Philippines, within six years after the date of issuance of such checks."

To protect their own interests, it is the responsibility of claimants to present their claims for the proceeds of checks to the United States Treasury or the General Accounting Office if the statutory period of limitation is about to expire. Any claim on account of a check appearing to have been paid which may be received in an agency and which might be adversely affected by the 6-year limitation should be transmitted to the United States Treasury immediately upon its receipt, since that office has the paid check records and processes the related check claims.

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7.3 OTHER STATUTORY LIMITATIONS

It is not intended to imply that statutes of limitation imposed by the Congress are necessarily limited to those quoted in subsections 7.1 and 7.2 of this section. It is incumbent on claimants to inform themselves regarding other possible statutory limitations.

SECTION 8--SUBMISSION REQUIREMENTS FOR
ADMINISTRATIVE AGENCIES

8.1 ADDRESS TO WHICH CLAIMS SHOULD BE FORWARDED

Claims which cannot be disposed of administratively should be forwarded by the administrative office to:

Claims Division
U.S. General Accounting Office
Washington, D.C. 20548

8.2 ADMINISTRATIVE REPORTS

Claims submitted to the Claims Division by administrative agencies should be accompanied by an administrative report containing:

- (1) The claimant's agency or branch of service, serial and social security number, as applicable, for purposes of identification, when such information is available in the files of the reporting agency. In the case of business firms, the Employer's Identification Number (EIN), which corresponds to the social security number of an individual, should be shown, if obtainable.
- (2) A statement of the facts out of which the claim arose.
- (3) A statement of the doubt or other reason for forwarding the claim.
- (4) A recommendation for the proper disposition.
- (5) A citation to pertinent supporting documents such as contracts and vouchers, if any.

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- (6) A statement that the claim has not been paid and will not be paid except pursuant to certification in the name of the Comptroller General.
- (7) A complete symbol citation to the applicable appropriation or fund.

To support the claim and settlement action, agencies are required to submit to the General Accounting Office the original claim, signed by the claimant, the original of the administrative report, and the original or one copy of any supporting documents. These documents will be retained by the General Accounting Office to support the claim and settlement action.

8.3 VOUCHER PROCEDURES

When practicable, vouchers will be used by the administrative offices for the presentation of claims, but only pursuant to arrangements made by individual agencies through the Claims Division. Procedural details applicable to individual agencies will be covered in these arrangements. The same vouchers will serve as the settlement documents when certified by the General Accounting Office for allowance. In addition to the number of copies of the vouchers required to support administrative and accounting records and to provide notice to the claimant, one copy will be required and must be provided in each case for retention in the claim record of the General Accounting Office. No copy of the voucher should be prepared for return to the General Accounting Office after payment.

8.4 NOTICE TO CLAIMANT OF SUBMISSION TO GENERAL ACCOUNTING OFFICE

Claimants should be informed by the administrative agency that their claims have been submitted to the Claims Division for settlement. The notice to the claimant may not include information relating to the administrative recommendation.

8.5 ADMINISTRATIVE ACTION AFTER SUBMISSION TO GENERAL ACCOUNTING OFFICE

After claims have been submitted to the General Accounting Office there should be no further administrative action other than to furnish such supplemental reports to the General Accounting Office as conditions may warrant. This in no

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manner precludes the furnishing of reports to the Congress or to the Department of Justice in those cases where the claim has been presented to a court of competent jurisdiction.

SECTION 9--INFORMATION RELATING
TO CLAIMS

9.1 INFORMATION RELATING TO CLAIMS PRESENTED TO
THE CLAIMS DIVISION

Claimants or their authorized representatives may obtain information relating to claims which have been presented to the Claims Division by addressing correspondence to:

Claims Division
U.S. General Accounting Office
Washington, D.C. 20548

SECTION 10--BASIS OF CLAIM SETTLEMENTS

10.1 BASIS ON WHICH CLAIMS ARE SETTLED IN THE CLAIMS
DIVISION

Claims are settled on the basis of the facts as established by the Government agency concerned and by evidence submitted by the claimant. Settlements are founded on a determination of the legal liability of the United States under the factual situation involved as established by the written record. The burden is on claimants to establish the liability of the United States and the claimants' right to payment. The settlement of claims is based upon the written record only.

SECTION 11--FORM OF CLAIM SETTLEMENTS

11.1 ALLOWED CLAIMS

The Claims Division will certify claims for payment either by use of a Certificate of Settlement, GAO Form 39, or by certificate of allowance placed on the voucher when voucher procedures referred to in subsection 8.3 of this title are in effect.

11.2 DISALLOWED CLAIMS

When part of a claim is allowed and part disallowed, a statement relating to the disallowed portion will be included on the Certificate of Settlement or the voucher. When the full amount of a claim is disallowed, the claimant will be advised by issuance of Settlement Certificate, GAO Form 44.

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SECTION 12--PROCESSING ALLOWED CLAIMS
FOR PAYMENT12.1 FORWARDING SETTLEMENT DOCUMENTS TO DISBURSING
OFFICER THROUGH ADMINISTRATIVE OFFICE

In order to aid administrative officers in the proper discharge of their duties and responsibilities under 31 U.S.C. 665(a) and other provisions of law, all certificates of settlement or individual vouchers evidencing allowance of claims in whole or in part by the General Accounting Office will be forwarded to the proper administrative agency or department for processing through its records. Action should be taken by agencies to insure prompt payment thereof. Generally, Certificates of Settlement or vouchers will be forwarded to only one address of an independent agency or department, or bureau thereof. Each agency must keep the Claims Division currently advised as to the address to which it desires these documents forwarded.

12.2 PROCESSING AND DISTRIBUTING CERTIFICATES OF
SETTLEMENT (GAO FORM 39)

a. Except as otherwise provided in paragraph "b" of this subsection, Certificates of Settlement, including those payable from funds of corporations subject to the Government Corporation Control Act, will be processed for payment as follows:

The certificate will be forwarded to the administrative department or agency under a covering transmittal letter. A copy of the transmittal letter will be promptly receipted and returned to the Claims Division. When the administrative office uses the voucher schedule procedures prescribed in 7 GAO 22, the original of the certificate will be scheduled in the same manner as other approved vouchers and will be used to support the fiscal accounts of the agency. When the voucher schedule procedures are not used, the original will be forwarded to the disbursing officer in the same manner as other approved individual vouchers and will be used to support his account. In either event, the agency will be responsible for preparing SF 1096, Schedule of Voucher Deductions, when necessary. The claimant's notice copy will be forwarded to the disbursing officer in all cases for transmittal to the payee with the check issued in payment of the claim. The other two copies of the certificate are for administrative use.

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b. When either the full amount allowed or part of the amount allowed is withheld for application to a debt due the United States, additional copies of the certificate will be supplied by the General Accounting Office, as necessary, for forwarding by the disbursing officer to the agency whose accounts are to be credited. When the full amount allowed is withheld for application to a debt, the claimant's notice copy of the certificate will be forwarded to the claimant by the General Accounting Office, and, if the same appropriation or fund is to be charged and credited, the original certificate will be retained in the General Accounting Office. When the original certificate is retained in the General Accounting Office, copies sent to the administrative agency will include an explanation to that effect.

12.3 PROCESSING AND DISTRIBUTING VOUCHERS

After certification for allowance, original vouchers and all copies thereof except the copy prepared for retention by the General Accounting Office will be returned to the originating agency under a covering transmittal letter. A copy of the transmittal letter will be promptly receipted and returned to the Claims Division. The agency will be responsible for disposition of the voucher and copies for record and payment purposes and for notice to claimant. When all or part of the amount allowed is withheld for application to a debt due the United States, additional copies of the voucher will be supplied by the General Accounting Office, as necessary, for forwarding by the disbursing officer to the administrative agency whose account is being credited.

12.4 ADMINISTRATIVE REVIEW OR ALTERATION OF SETTLEMENTS

Settlement documents issued by the Claims Division should not receive an administrative review as to their legality or correctness. However, the administrative agencies and departments are authorized to alter such documents when necessary to reflect the applicable appropriation symbol number in use at the time of payment and to correct project numbers or other information in connection with the appropriation or fund stated. No alteration may be made which would cause payment of the claim from a different appropriation or fund, to a different payee, or in an amount different from that approved by the General Accounting Office.

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SECTION 13--PROCESSING WHOLLY
DISALLOWED CLAIMS

When a claim is disallowed in full, the Claims Division will transmit the original disallowance direct to the claimant. One copy of the disallowance will be furnished to the administrative office concerned.

SECTION 14--EFFECT OF GENERAL ACCOUNTING
OFFICE CLAIM SETTLEMENTS

14.1 FINALITY AS TO ADMINISTRATIVE AGENCIES

Settlements made by the Claims Division are final and conclusive upon the executive branch of the Government unless revised by or at the direction of the Comptroller General (31 U.S.C. 74). (See section 15.1, this title.)

14.2 EFFECT AS PRECEDENTS FOR FUTURE PAYMENTS

Settlement of an individual claim by the Claims Division is not to be regarded as a precedent for the guidance of accountable or other administrative officers.

14.3 EFFECT ON LIABILITY OF CERTIFYING AND DISBURSING
OFFICERS

Certifying and disbursing officers will not be held pecuniarily liable for payments made pursuant to claims settlement certifications issued in the name of the Comptroller General which appear regular on their face, except that they will not be relieved of the responsibility, where required, for determining that a sufficient balance exists in the appropriation or fund to cover the involved payments. Internal controls of the General Accounting Office assure the authenticity of the signature of the persons certifying amounts due in the name of the Comptroller General, which therefore need not be further verified as a condition precedent to payment.

SECTION 15--REVIEW AND RECONSIDERATION OF GENERAL ACCOUNTING
OFFICE CLAIM SETTLEMENTS

15.1 WHO MAY OBTAIN REVIEW

Settlements made pursuant to 31 U.S.C. 71 will be reviewed (1) at the discretion of the Comptroller General upon the written application of (a) a claimant whose claim has been settled or (b) the head of the department or Government

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establishment to which the claim or account relates (or person to whom such authority has been delegated) or (2) whenever the Comptroller General directs.

15.2 BASIS FOR REQUEST FOR REVIEW

Applications for review of claim settlements should state the errors which the applicant believes have been made in the settlement and which form the basis of his request for reconsideration.

15.3 RETURN OF CHECK OR WARRANT WITH REQUEST FOR REVIEW

The check issued upon a settlement must not be cashed but must accompany the application for review of the claim settlement if the amount of the check includes an item for which the review is applied, unless the Comptroller General directs otherwise.

15.4 PROTESTS RECEIVED IN ADMINISTRATIVE OFFICES AGAINST
GENERAL ACCOUNTING OFFICE SETTLEMENTS

An administrative office will promptly refer the following to the Claims Division:

- (1) Protests or appeals of settlements made by the Claims Division.
- (2) Any additional claim, the settlement of which requires reconsideration of a previous settlement made by the General Accounting Office. The prior claim will be cited, and an additional administrative report will be furnished to support the additional claim.

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CHAPTER 3--DECEASED CIVILIAN OFFICERS AND EMPLOYEES--
PROCEDURES FOR SETTLEMENT OF ACCOUNTS

SECTION 16--SCOPE AND DEFINITIONS

16.1 SCOPE OF CHAPTER

This chapter prescribes forms and procedures for the prompt settlement of accounts of deceased civilian officers and employees of the Federal Government and of the government of the District of Columbia (including wholly owned and mixed-ownership Government corporations), as contemplated by 5 U.S.C. 5581, 5582, 5583. The term "deceased employees" as used in this chapter includes former civilian officers and employees who die subsequent to separation from the employing agency.

The procedures prescribed by this chapter do not apply to:

(1) Accounts of deceased officers and employees of the Federal land banks, Federal intermediate credit banks, or regional banks for cooperatives (see 5 U.S.C. 5581(1)).

(2) Payment of unpaid balance of salary or other sums due deceased Senators or officers or employees of the Senate (see 2 U.S.C. 36a; 5 U.S.C. 5581(1)).

(3) Payment of unpaid balance of salary or other sums due deceased Members of the House of Representatives (see 2 U.S.C. 38a). See 4 GAO 20.1 relative to the settlement of accounts of deceased officers and employees of the House of Representatives.

16.2 DEFINITIONS

The term "unpaid compensation," when used in this chapter, means the pay and allowances due on account of the services of the decedent for the Federal Government or the government of the District of Columbia. It shall include, but not be limited to:

(1) Per diem in lieu of subsistence, mileage, and amounts due in reimbursement of travel expenses, including incidental and miscellaneous expenses in connection therewith for which reimbursement is due.

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- (2) Allowances on change of official station.
- (3) Quarters and cost-of-living allowances and overtime or premium pay.
- (4) Amounts due for payment of cash awards for employees' suggestions.
- (5) Amounts due as refund of pay deductions for United States savings bonds.
- (6) Payment for accumulated and current accrued annual or vacation leave equal to the pay the decedent would have received had he lived and remained in the service until the end of the period of such annual or vacation leave.
- (7) Amounts of checks drawn for pay and allowances which were not delivered by the Government to the officer or employee during his lifetime.
- (8) Amounts of unnegotiated checks returned to the Government because of the death of the officer or employee.
- (9) Retroactive pay under 5 U.S.C. 5344(a)(2).

It does not include benefits, refunds, or interest payable under subchapter III of chapter 83 of title 5, U.S. Code, applicable to the service of the deceased employee, or amounts the disposition of which is otherwise expressly prescribed by Federal statute.

SECTION 17--FORMS

17.1 FORMS PRESCRIBED FOR PROCEDURES IN THIS CHAPTER

STANDARD FORMS

- SF 1152 Designation of Beneficiary, Unpaid
Compensation of Deceased Civilian Employee
- SF 1153 Claim of Designated Beneficiary and/or
Surviving Spouse for Unpaid Compensation
of Deceased Civilian Employee
- SF 1154 Public Voucher for Unpaid Compensation Due
a Deceased Civilian Employee

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SF 1154a Public Voucher for Unpaid Compensation Due
a Deceased Civilian Employee (Memorandum)

Specimen copies of Standard Forms 1152, 1153, and 1154
are contained in appendix A of this title.

SECTION 18--NOTIFYING EMPLOYEES

18.1 AGENCY RESPONSIBILITY

Each agency of the Government affected will bring to the attention of its civilian employees the provisions of the act relative to their right to designate a beneficiary or beneficiaries to receive the amounts due and the disposition to be made of unpaid amounts where no beneficiary or beneficiaries have been designated.

SECTION 19--DESIGNATION OF BENEFICIARY

19.1 DESIGNATION FORM

SF 1152, Designation of Beneficiary, Unpaid Compensation of Deceased Civilian Employee, is prescribed for use by employees in designating a beneficiary and in changing or revoking a previous designation. However, in the absence of the prescribed form, any designation, change, or cancellation of beneficiary witnessed and filed in accordance with the general requirements of these procedures shall be acceptable. Each agency subject to the provisions of the act will furnish the employee an SF 1152 upon request therefor.

19.2 WHO MAY BE DESIGNATED

An employee may designate any person or persons as beneficiary. The term "person or persons" as used in these procedures includes a legal entity or the estate of the deceased employee.

19.3 EXECUTING AND FILING A DESIGNATION OF
BENEFICIARY FORM

The SF 1152 must be executed in duplicate by the employee and filed with the employing agency, where the proper officer will sign it and insert the date of receipt in the space provided on each part, file the original, and return the duplicate to the employee. The designation will be filed in the particular office which

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authorizes payment of the employee's compensation, or such other place as the head of the agency may direct.

19.4 EFFECTIVE PERIOD OF A DESIGNATION

A designation of beneficiary, properly executed and filed in the agency of employment, unless earlier changed or revoked in writing, will be effective as long as employment by the same agency continues and thereafter until the employee is transferred or reemployed by the same or another department or agency of the Government. Should an employee resign and be reemployed, or be transferred to another agency, and desire the unpaid compensation to be paid to a designated beneficiary, another designation of beneficiary form must be executed, as directed in subsection 19.3 above. If an amount should become due from the agency from which the employee was separated, it will be the responsibility of such agency to ascertain, prior to payment, if the employee was reemployed and executed a designation of beneficiary in connection with such employment, and to pay the compensation to any person or persons so designated. A new designation of beneficiary is not required as to an employee whose agency or site function, records, equipment, and personnel are absorbed by another agency.

19.5 CHANGE OR REVOCATION OF A DESIGNATION

A designation of beneficiary previously made may be changed or revoked as of a later date by the execution and filing of another SF 1152 by the employee, as directed in subsection 19.3 above. When a designation of beneficiary is changed or revoked, the employing agency should return the earlier designation to the employee.

SECTION 20--CLAIMS JURISDICTION

20.1 ADMINISTRATIVE AGENCIES

Claims for unpaid compensation due deceased employees of the government of the District of Columbia, of the Canal Zone Government on the Isthmus of Panama, and of wholly owned and mixed-ownership Government corporations will be paid by those agencies. See 5 U.S.C. 5583. Except as otherwise provided in subsections 20.2 and 22.4b of this chapter, claims for unpaid compensation due deceased employees of other agencies of the Federal Government, including officers and employees of the House of

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Representatives, may be paid by those agencies under any of the provisions of 5 U.S.C. 5582.

20.2 GENERAL ACCOUNTING OFFICE

Except as provided in subsection 20.1 above, claims for unpaid compensation due deceased employees of the Federal Government will be paid only upon settlement by the Claims Division in the following cases:

(1) When doubt exists as to the amount or validity of the claim.

(2) When doubt exists as to the person(s) properly entitled to payment.

SECTION 21--SECURING CLAIMS

21.1 SECURING CLAIM ON EMPLOYEE'S DEATH

As soon as practicable after the death of a person designated as a civilian employee under the act, the agency in which s/he was last employed, upon determining that unpaid compensation is due the decedent, will request each designated beneficiary to execute SF 1153, Claim for Unpaid Compensation of Deceased Civilian Employee. If no beneficiary was designated, the surviving spouse, and if no surviving spouse, the person or persons next in order of precedence, in accordance with the first section of the act (5 U.S.C. 5582), would execute SF 1153. When the designated beneficiary is the estate of the decedent, the employing agency will furnish the legal representative, heir, or heirs of the decedent SF 1055, Claim Against the United States for Amounts Due in the Case of a Deceased Creditor, prescribed in 4 GAO 36.1, since this form will elicit the information required for settlement of such claims. Any assistance deemed necessary for the proper execution of the forms will be furnished to all claimants by the employing agency.

21.2 CLAIMS INVOLVING MINORS OR INCOMPETENTS

a. If a guardian or committee has been appointed for a minor or an incompetent (a person who has been adjudged by a court to be incompetent to handle his own affairs) appearing entitled to unpaid compensation, the claim should be supported by a short certificate of the court showing the appointment and qualification of the claimant in such capacity.

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b. If no guardian or committee has been or will be appointed, the initial claim should be supported by a statement showing (1) the claimant's relationship to the minor or incompetent, if any, (2) the name and address of the person having care and custody of the minor or incompetent, (3) that any moneys received will be applied to the use and benefit of the minor or incompetent, and (4) that the appointment of a guardian or committee is not contemplated.

SECTION 22--UNNEGOTIATED AND UNDELIVERED
GOVERNMENT CHECKS

22.1 RETURN OF UNNEGOTIATED GOVERNMENT CHECKS

All unnegotiated U.S. Government checks drawn to the order of a decedent, representing unpaid compensation as defined in subsection 16.2 of this chapter and in the possession of the claimant should be returned to the employing agency concerned. Claimants should be instructed to return any other U.S. Government checks, drawn to the order of a decedent for purposes other than unpaid compensation, such as veterans benefits, social security benefits, or Federal tax refunds, to the agency from which received with request for further instructions from that agency.

22.2 RECORDING RETURNED CHECKS

Upon receipt of unnegotiated U.S. Government checks for unpaid compensation, returned pursuant to subsection 22.1 above, the administrative office will make an appropriate record of them for later statement in the Public Voucher for Unpaid Compensation Due a Deceased Civilian Employee, SF 1154.

22.3 CHECKS DRAWN ON THE UNITED STATES TREASURY

The proceeds of unnegotiated and/or undelivered checks which are drawn on the United States Treasury, formerly the Treasurer of the United States, for unpaid compensation due the decedent will be obtained by processing SF 1154.

22.4 CHECKS DRAWN ON DESIGNATED DEPOSITARIES

a. CURRENT CHECKS. The proceeds of unnegotiated and/or undelivered checks which are drawn on designated

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depositories of the United States Treasury, formerly the Treasurer of the United States, for unpaid compensation due the decedent, and are still current as to issue date (see "b" below), will be obtained by processing SF 1154.

b. UNCURRENT CHECKS. Unnegotiated and/or undelivered checks for unpaid compensation due the decedent, which are drawn on designated depositories and have not been paid prior to the close of the fiscal year next following the fiscal year in which the checks were issued, are uncurrent. Claims for the proceeds of such checks must be submitted to the Claims Division for settlement pursuant to the provisions of section 1(b) of the act of August 28, 1957, Public Law 85-183, 31 U.S.C. 132. The checks, if available, should accompany the claims.

SECTION 23--VOUCHERING CLAIMS FOR ADMINI-
STRATIVE PAYMENT OR FOR SUBMISSION
TO GENERAL ACCOUNTING OFFICE

23.1 VOUCHER FORMS USED

Upon receipt of a duly executed SF 1153 or SF 1055 and any unnegotiated and/or undelivered U.S. Government checks, the agency concerned will promptly prepare a disbursement voucher for the amount of the unpaid compensation due the deceased civilian employee. The disbursement voucher, SF 1154 and SF 1154a (Memorandum), Public Voucher for Unpaid Compensation Due a Deceased Civilian Employee, will be used for this purpose.

23.2 PREPARATION OF SUBVOUCHERS IN SUPPORT OF SF 1154

The disbursement voucher, SF 1154, will be supported where necessary by the forms described below, which may be used as subvouchers. Each of the forms used should be signed by a designated approving officer and should show the amount chargeable to the applicable appropriation and/or fund. While the use of standard forms as subvouchers in support of the payment voucher appears desirable, there will be no objection to the development of the details of unpaid compensation on other forms used by the paying agencies (Government-owned corporations, etc.) for determining the amounts due their deceased employees for similar elements of compensation.

a. PAYROLL FOR PERSONAL SERVICES--SF 1128. On the reverse of this form will be shown the name of the deceased

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employee, his designation and rate of pay, and, in the appropriate columns, the gross earnings, deductions, and net amount due for all personal services which have not been included in any prior payroll. Additional items to be shown on this form will be the number of hours of unused annual leave and the number of overtime and premium pay hours together with the amounts due in each case. In connection with payroll deductions, attention is invited to the following:

(1) FEDERAL INSURANCE CONTRIBUTIONS ACT. If the decedent was subject to the provisions of the Federal Insurance Contributions Act, his social security number should be shown beneath his name. Current earnings of the decedent and the lump-sum payment for unused annual leave earned after the calendar year 1950 are subject to FICA tax. When no FICA tax deductions are currently made from the unpaid compensation of the decedent because the required amount for the calendar year has been deducted on previous payrolls of the agency, the administrative officer should so state on the subvoucher (SF 1128 or other appropriate form).

(2) CIVIL SERVICE RETIREMENT ACT. If the decedent was subject to the provisions of the Civil Service Retirement Act, as amended, his current earnings up to and including the date of death are subject to deductions for the Civil Service Retirement Fund.

(3) FEDERAL EMPLOYEES GROUP LIFE AND HEALTH INSURANCE. If the decedent's earnings were subject to deductions for life and/or health insurance at the time of death, such deductions are to be applied to amounts earned up to and including date of death.

(4) FEDERAL TAX. The Internal Revenue Service has ruled that no withholding should be made for income tax from the unpaid salary and lump-sum leave payment due a decedent.

(5) STATE TAX. The withholding of State income tax from the unpaid salary and lump-sum leave payment due a decedent will be governed in each case by the applicable laws and regulations. (See part III, chapter 4000, of the Treasury Fiscal Requirements Manual for Guidance of Departments and Agencies)

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(6) U.S. SAVINGS BONDS. No current deduction will be made from the unpaid compensation of a deceased civilian employee for, or to complete, the purchase of a U.S. savings bond under the employee's bond purchase authorization, since such allotment of pay becomes void upon the death of the allotter.

(7) ACCOUNTING FOR DEDUCTIONS. Deductions for the Civil Service Retirement Fund, FICA taxes, Government life and health insurance premiums, etc., shown for the purpose of determining the net amount due, will also be included and accounted for on the next regular payroll of the employing agency as Gross Amount Earned and Deductions.

b. TRAVEL VOUCHER--SF 1012. On this form will be shown the amount of per diem and mileage allowances and expenses incurred incident to official travel. On this form may also be shown the amount of any authorized allowance due on account of change of official station.

c. PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL--SF 1034. On this form will be shown the amount of unpaid "cash awards" granted by the employing agency for the deceased employee's meritorious suggestion(s).

d. VOUCHER FOR ALLOWANCES AT FOREIGN POSTS OF DUTY--SF 1069. On this form will be shown the unpaid amount representing the commuted value of quarters and cost-of-living allowances which are not included on the Travel Voucher (SF 1012) or any other prescribed form.

e. REFUND OF DEPOSIT FUNDS--SF 1047--OR OTHER APPROVED TYPE OF DISBURSEMENT VOUCHER. On this form will be shown any unapplied balance of payroll deductions previously made at the direction of the deceased employee for purchase of U.S. savings bonds.

f. SCHEDULE OF VOUCHER DEDUCTIONS--SF 1096. On this form will be shown the balance of any outstanding travel advances or any other items of indebtedness for deduction from the total of the amount otherwise due.

23.3 PREPARATION OF VOUCHER FOR UNPAID COMPENSATION

On the reverse side of the payment voucher (SF 1154) will be shown, in the spaces provided, the amounts of the several elements of unpaid compensation which are

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developed as indicated in subsection 23.2 above. Spaces are also provided for showing the amount of outstanding travel advances for which the deceased employee is accountable, and such amount will be deducted from the total of the amount otherwise due. Items of unpaid compensation known to be due may be vouchered without regard to other items considered doubtful or requiring additional information. In such cases the supplemental vouchers should contain a citation to the voucher(s) covering the previous payment or payments, such citation being shown in the spaces provided on the reverse side of SF 1154 and SF 1154a. The gross amount chargeable to the appropriation and/or fund, including "deposit" funds, and the net amount due the claimant(s) will be brought forward to the face of the payment voucher (SF 1154) and shown in the spaces provided. In the space provided for "Accounting Classification" will be shown the distribution of the gross amount chargeable to the appropriation and/or fund applicable. The voucher will be otherwise completed, recorded, and certified by the designated certifying officer.

23.4 PROCESSING VOUCHERS FOR ADMINISTRATIVE PAYMENT

Vouchers (SF 1154) covering payments to be made administratively pursuant to 4 GAO 20.1 will be forwarded or scheduled to the disbursing officer for payment in the same manner as other disbursement vouchers. In those cases where a site audit of salary payments is performed by the General Accounting Office, the subvouchers described in subsection 23.2 above, showing the detailed computations of the amounts due, together with SF 1152, will be retained in the administrative office for audit purposes. In those cases where an off-site audit of salary payments is performed by the General Accounting Office, the subvouchers, showing the detailed computations of the amounts due, together with SF 1152 and SF 1153, will be attached to that copy of the payment voucher (SF 1154) which is used for audit purposes by the General Accounting Office and forwarded to the point where payroll documents are normally sent for audit. In those cases of partial payment as provided in subsection 23.3 above, the subvouchers, showing the detailed computations of the amounts due, together with SF 1152 and SF 1153, will be retained in the administrative office if a site audit is performed or, if an off-site audit is performed, will be forwarded to the point where payroll documents are normally sent for audit and attached to that copy of the first voucher (SF 1154) which is used for audit purposes by the General Accounting Office.

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23.5 PROCESSING VOUCHERS FOR TRANSMITTAL TO
GENERAL ACCOUNTING OFFICE

Disbursement vouchers (SF 1154) which can be paid only after settlement by the General Accounting Office pursuant to 4 GAO 20.2 will be transmitted to the Claims Division, U.S. General Accounting Office, Washington, D.C. 20548, in a number of copies sufficient to permit the General Accounting Office to retain one copy. The approved voucher will be returned to the agency for payment.

The subvouchers, showing the detailed computations of the amounts due, together with SF 1152, if any, and the completed application form (SF 1153 or SF 1055), will be attached to the original payment voucher (SF 1154), or to the first payment voucher (SF 1154) in cases of partial payment under subsection 23.3 above, and sent to the Claims Division, even though a site audit is otherwise performed by the General Accounting Office.

In addition to the supporting documents described above, claims submitted to the Claims Division should be accompanied by an administrative report containing (1) a statement of the doubt involved, if any, (2) any pertinent administrative findings and recommendations, and (3) a statement that the claim has not been and will not be paid except pursuant to certification in the name of the Comptroller General.

23.6 PAYMENT DATA

The Public Voucher for Unpaid Compensation Due a Deceased Civilian Employee (SF 1154) provides for showing payments made either by check(s) drawn on the United States Treasury or designated depository banks, or in cash. If payment is made by check(s) drawn on a designated depository bank, the name of such bank should be shown. If payment is made in cash, signature of the payee in acknowledgment of receipt of payment is required, and, if more than one payee, a receipt should be obtained for the amount paid to each and attached to the voucher.

SECTION 24--APPLICABILITY OF GENERAL
CLAIM PROCEDURES

When not in conflict with this chapter, the provisions of chapter 2 of this title, relating to procedures applicable to claims generally, are also applicable to the settlement of accounts of deceased civilian officers and employees.

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CHAPTER 4--DECEASED MEMBERS OF THE UNIFORMED SERVICES
AND THE NATIONAL GUARD--PROCEDURES FOR SETTLEMENT
OF ACCOUNTS

SECTION 25--SCOPE OF CHAPTER

This chapter prescribes forms and procedures for the prompt settlement of the accounts of:

(1) Deceased members of the uniformed services (including deceased commissioned officers of the Public Health Service and the Environmental Science Services Administration) pursuant to 10 U.S.C. 2771.

(2) Deceased members of the National Guard pursuant to 32 U.S.C. 714.

Note: The term "deceased members" as used in this chapter includes former members who die subsequent to discharge or separation from the service.

A designation of beneficiary under 10 U.S.C. 2771 or 32 U.S.C. 714, properly executed and filed in the place designated for such purposes in the regulations of the department concerned, will be effective thereafter until (1) expressly changed or revoked in writing or (2) the serviceman transfers to a different branch of the military service or (3) s/he returns to the same or a different branch after a break in service.

The payment provisions of 10 U.S.C. 2771 and 32 U.S.C. 714 are effective only when the member's death occurs on or after January 1, 1956. Claims relating to the accounts of members dying before such date are for consideration by the Claims Division.

The term "pay and allowances" when used in this chapter includes any amount due a decedent from the service of which he was a member, exclusive of amounts payable administratively pursuant to other specific authority.

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SECTION 26--FORMS

26.1 FORMS PRESCRIBED FOR PROCEDURES IN THIS CHAPTER

STANDARD FORMS

SF 1174 Claim for Unpaid Compensation of Deceased Member
Uniformed Services

SF 1176 Public Voucher for Unpaid Pay and Allowances Due
a Deceased Member of the Armed Forces

SF 1176a Public Voucher for Unpaid Pay and Allowances Due
a Deceased Member of the Armed Forces (Memorandum)

Specimen copies of Standard Forms 1174 and 1176 are
contained in appendix A of this title.

SECTION 27--JURISDICTION

27.1 ADMINISTRATIVE AGENCIES

Except as otherwise provided in subsections 27.2 and
29.3b of this chapter, pay and allowances due deceased mem-
bers shall be paid as follows:

a. DECEASED MEMBERS OF THE ARMED FORCES.

Amounts payable under any of the clauses establishing the
order of precedence as set forth in 10 U.S.C. 2771(a) shall
be paid by the department or military service concerned.

b. DECEASED MEMBERS OF THE NATIONAL GUARD.

Amounts payable under any of the clauses establishing the
order of precedence as set forth in 32 U.S.C. 714(a) shall
be paid by the department concerned.

27.2 GENERAL ACCOUNTING OFFICE

Payments shall be made only upon settlement by the Claims
Division in the following cases:

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(1) When doubt exists regarding the amount or validity of the claim.

(2) When doubt exists regarding the person(s) properly entitled to payment.

SECTION 28--CLAIMS

28.1 FURNISHING CLAIM FORMS AND ASSISTANCE TO CLAIMANTS

As soon as practicable after the death of a member, the department under which the member was serving at the date of death will furnish the designated beneficiary or beneficiaries SF 1174, Claim for Unpaid Compensation of Deceased Members of Uniformed Services for use in filing a claim for any unpaid pay or allowances that may be due the decedent. If there is no designated beneficiary, the person or persons next in order of precedence, in accordance with 10 U.S.C. 2771(a) or 32 U.S.C. 714(a), should submit SF 1174. Any assistance deemed necessary for the proper execution of the forms will be furnished to all claimants by the departments concerned.

28.2 CLAIMS INVOLVING MINORS OR INCOMPETENTS

a. If a guardian or committee has been appointed for a minor or an incompetent (a person who has been adjudged by a court to be incompetent to handle his own affairs) appearing entitled to unpaid amounts, the claim should be supported by a short certificate of the court showing the appointment and qualification of the claimant in such capacity.

b. If no guardian or committee has been or will be appointed, the initial claim should be supported by a statement showing (1) claimant's relationship to the minor or incompetent, if any, (2) the name and address of the person having care and custody of the minor or incompetent, (3) that any moneys received will be applied to the use and benefit of the minor or incompetent, and (4) that the appointment of a guardian or committee is not contemplated.

28.3 CLAIMS FOR UNNEGOTIATED GOVERNMENT CHECKS

Unnegotiated U.S. Government checks drawn to the order of the decedent by the service of which he was a member should

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be returned to the department concerned for consideration in connection with the settlement of the member's account. Claimants should be advised that all other unnegotiated U.S. Government checks drawn to the order of the decedent should be returned to the agency from which received with request for further instructions from that agency.

SECTION 29--DISPOSITION OF UNNEGOTIATED AND
UNDELIVERED CHECKS FOR PAY
AND ALLOWANCES

29.1 RECORDING RETURNED CHECKS

Unnegotiated U.S. Government checks covering pay and allowances, returned pursuant to subsection 28.3 of this chapter, will be recorded on appropriate accounting documents for later statement in the Public Voucher for Unpaid Pay and Allowances Due a Deceased Member of the Armed Forces, SF 1176.

29.2 CHECKS DRAWN ON THE UNITED STATES TREASURY

The proceeds of unnegotiated and/or undelivered checks which are drawn on the United States Treasury for pay and allowances due the decedent will be obtained by processing SF 1176.

29.3 CHECKS DRAWN ON DESIGNATED DEPOSITARIES

a. CURRENT CHECKS. The proceeds of unnegotiated and/or undelivered checks which are drawn on designated depositaries of the United States Treasurer, formerly the Treasurer of the United States for pay and allowances due the decedent, and are still current as to issue date (see "b" below), will be obtained by processing SF 1176.

b. UNCURRENT CHECKS. Unnegotiated and/or undelivered checks for pay and allowances due the decedent, which are drawn on designated depositaries and have not been paid prior to the close of the fiscal year next following the fiscal year in which the checks were issued, are uncurrent. Claims for the proceeds of such checks must be submitted to the Claims Division for settlement pursuant to the provisions of section 1(b) of the act of August 28, 1957, Public Law 85-183, 31 U.S.C. 132. The checks, if available, should accompany the claims.

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SECTION 30--VOUCHERING CLAIMS FOR PAY
AND ALLOWANCES

30.1 VOUCHER FORMS USED

Upon receipt of a claim on a duly executed SF 1174, the department concerned will promptly prepare a disbursement voucher for the amount of the pay and allowances due the deceased member, including the proceeds of unnegotiated checks. The disbursement voucher, SF 1176, and SF 1176a (Memorandum), will be used for this purpose.

30.2 SUPPORTING DOCUMENTATION FOR SF 1176.

The disbursement voucher, SF 1176, will be supported by:

- (1) the original claim, on SF 1174;
- (2) appropriate documentation relating to any amounts included on the voucher, such documentation to be on forms approved for such purpose and used as subvouchers;
- (3) an official copy of the death report; and
- (4) a certified copy of the designation of beneficiary form, when a beneficiary has been designated, if the name and address of the beneficiary as shown on the form do not appear on the death report.

SECTION 31--PROCESSING VOUCHERS FOR
PAYMENT ADMINISTRATIVELY

Those vouchers (SF 1176) covering payments to be made administratively pursuant to subsection 27.1 of this chapter will be forwarded individually or scheduled to the appropriate disbursing office for payment in the same manner as other disbursement vouchers. In the Departments of the Army, Navy, and Air Force, the documents and subvouchers referred to in subsection 30.2 above will be forwarded to the Finance Center of the department concerned to be retained in the "Military Pay Record Jacket" or other appropriate pay account of the deceased member for audit by the appropriate audit staff of the General Accounting Office. In the Departments of the Treasury; Commerce; and Health, Education, and Welfare, the applicable documents and subvouchers referred to in subsection

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30.2 will be retained with the Military Pay Record or other appropriate pay account at the location where the audit by the General Accounting Office will be performed.

SECTION 32--VOUCHER SUBMISSIONS TO GENERAL
ACCOUNTING OFFICE

32.1 VOUCHER SUBMISSION REQUIREMENTS

Disbursement vouchers (SF 1176) which can be paid only after settlement by the General Accounting Office pursuant to subsection 27.2 of this chapter will be submitted to the Claims Division, U.S. General Accounting Office, Washington, D.C. 20548. Each original disbursement voucher involving an individual claimant will be accompanied by one copy for notice to such claimant, one copy for retention in the claim record of the General Accounting Office, and a sufficient number of copies to support administrative and accounting records. In no event will the original voucher be accompanied by less than two copies. If more than one individual is claiming, additional voucher copies will be provided for notice to each claimant and will accompany the original voucher when submitted to the Claims Division. No copy of the voucher should be prepared for return to the Claims Division after payment.

32.2 ADMINISTRATIVE REPORT TO ACCOMPANY VOUCHERS

In addition to the supporting documents described in subsection 30.2 of this chapter, any disbursement voucher submitted to the Claims Division will be accompanied by an administrative report containing (1) a statement of the doubt or other reason for forwarding the claim, (2) any pertinent administrative findings and recommendations, and (3) a statement that the claim has not been and will not be paid except pursuant to certification in the name of the Comptroller General.

32.3 PROCESSING VOUCHERS FOR PAYMENT AFTER
CERTIFICATION BY GENERAL ACCOUNTING OFFICE

After certification for payment, the original voucher and all copies thereof, except the copy prepared for retention by the General Accounting Office, will be returned to the originating department under a covering transmittal letter. A copy of the transmittal letter will be promptly receipted and returned to the Claims Division. The department will be

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responsible for the distribution of the voucher and copies for record and payment purposes. It also will be responsible for forwarding each claimant's notice copy to the disbursing office for transmittal to the payee with the check issued in payment of the claim.

SECTION 33--APPLICABILITY OF GENERAL
CLAIM PROCEDURES

When not in conflict with this chapter, the provisions of chapter 2 of this title, relating to procedures applicable to claims generally, are also applicable to the settlement of accounts of deceased members.

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CHAPTER 5--DECEASED PUBLIC CREDITORS GENERALLY--
CLAIM SETTLEMENT PROCEDURES

SECTION 34--SCOPE OF CHAPTER

This chapter relates to the settlement of claims for amounts alleged to be due the estates of deceased individual public creditors, except when such claims are within the jurisdiction of administrative agencies pursuant to specific authority. The claims coming within the scope of this chapter include, among others, claims for amounts due deceased contractors (whether under terminated or continuing contracts) and other deceased public creditors for supplies furnished and services rendered.

SECTION 35--JURISDICTION

35.1 CLAIMS DIVISION

Claims for unpaid amounts due deceased public creditors will be paid only upon settlement by the Claims Division in the following cases:

(1) When doubt exists as to the amount or validity of the claims.

(2) When doubt exists as to the person(s) properly entitled to payment under the laws of the domicile of the decedent.

35.2 ADMINISTRATIVE AGENCIES

Except as otherwise provided in subsections 35.1 and 38.3b of this chapter claims for unpaid amounts due deceased public creditors may be paid by the administrative agency under the laws of the domicile of the decedent.

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SECTION 36--FORMS

36.1 FORM PRESCRIBED FOR PROCEDURES IN THIS CHAPTER

STANDARD FORM

SF 1055 Claim Against the United States for Amounts Due
in the Case of a Deceased Creditor

A specimen copy of this form is contained in appendix A of
this title.

36.2 USE OF SF 1055 FOR CLAIMS OUTSIDE SCOPE OF THIS CHAPTER

SF 1055 may be used for filing claims which are within
the exclusive jurisdiction of administrative agencies, if the
agencies concerned so desire.

SECTION 37--CLAIM FILING REQUIREMENTS

37.1 USE OF PRESCRIBED FORM

Claims to which this chapter relates, including claims
for the proceeds of U.S. Government checks, will be filed on
SF 1055.

37.2 ASSISTING CLAIMANTS IN FILING CLAIMS

Such assistance as is deemed necessary may be given to
claimants by the administrative agencies to insure proper
execution and submission of the claim form, SF 1055.

37.3 CLAIMS INVOLVING MINORS

a. If a guardian has been appointed for a minor appear-
ing entitled to unpaid amounts, the claim should be supported
by a short certificate of the court showing the appointment
and qualification of the claimant in such capacity.

b. If no guardian has been or will be appointed, the
initial claim should be supported by a statement showing (1)
claimant's relationship to the minor, if any, (2) the name
and address of the person having care and custody of the
minor, (3) that any moneys received will be applied to the
use and benefit of the minor, and (4) that the appointment
of a guardian is not contemplated.

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SECTION 38--UNNEGOTIATED AND UNDELIVERED
GOVERNMENT CHECKS

38.1 RETURN OF UNNEGOTIATED GOVERNMENT CHECKS

All unnegotiated U.S. Government checks, in possession of a claimant, which are drawn to the order of a deceased public creditor should be returned to the agency from which received.

38.2 CHECKS DRAWN ON THE UNITED STATES TREASURY

The proceeds of unnegotiated and/or undelivered checks which are drawn on the United States Treasury to the order of a deceased public creditor will be obtained for claim settlement purposes by processing a regular disbursement voucher signed by a duly authorized certifying officer.

38.3 CHECKS DRAWN ON DESIGNATED DEPOSITARIES

a. CURRENT CHECKS. The proceeds of unnegotiated and/or undelivered checks which are drawn on designated depositaries of the United States Treasury to the order of a deceased public creditor, and are still current as to issue date (see "b" below), will be obtained for claim settlement purposes by processing a regular disbursement voucher signed by a duly authorized certifying officer.

b. UNCURRENT CHECKS. Unnegotiated and/or undelivered checks, which are drawn on designated depositaries to the order of a deceased public creditor and have not been paid prior to the close of the fiscal year next following the fiscal year in which the checks were issued, are uncurrent. Claims for the proceeds of such checks must be submitted to the Claims Division for settlement pursuant to the provisions of section 1(b) of the act of August 28, 1957, Public Law 85-183, 31 U.S.C. 132. The checks, if available, should accompany the claims.

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SECTION 39--CLAIM SUBMISSIONS TO GENERAL
ACCOUNTING OFFICE

39.1 ADDRESS TO WHICH CLAIMS SHOULD BE FORWARDED

Claims within the scope of this chapter which are required to be settled by the General Accounting Office pursuant to subsections 35.1 and 38.3b should be forwarded by administrative agencies to:

Claims Division
U.S. General Accounting Office
Washington, D.C. 20548

39.2 ADMINISTRATIVE REPORTS

To the extent appropriate, claims submitted to the Claims Division should be accompanied by an administrative report containing:

- (1) The claimant's service, serial, and social security number, as applicable, for purposes of identification, when available in the files of the reporting agency. In the case of business firms, the Employer's Identification Number (EIN), which corresponds to the social security number of an individual, should be shown, if obtainable.
- (2) A statement of the facts out of which the claim arose.
- (3) A statement of the doubt involved.
- (4) A recommendation as to the disposition believed proper.
- (5) A citation to pertinent supporting documents such as contracts and vouchers, if any.
- (6) A citation to the appropriation or account to be charged.
- (7) A schedule or list of checks drawn on the United States Treasury or of current checks drawn on designated depositories, if any, showing the appropriation or account to which the proceeds have been credited (see 4 GAO 38.3b relative to claims for the proceeds of uncurrent depository checks).

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- (8) A statement that the claim has not been paid and will not be paid except pursuant to certification in the name of the Comptroller General.

SUBSEC. 42.1

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CHAPTER 6--INCOMPETENT PUBLIC CREDITORS--PROCEDURES
FOR SETTLEMENT OF ACCOUNTS

SECTION 40--SCOPE OF CHAPTER

This chapter prescribes the procedures applicable to the settlement of claims for amounts due incompetent public creditors of the United States, including claims for the proceeds of Government checks drawn on the United States Treasury or other authorized Government depository to the order of such creditors, except those claims which are under the exclusive jurisdiction of administrative agencies pursuant to specific statutory authority.

Note: The term "incompetent" in this chapter refers to a person who has been adjudged by a court to be incompetent to handle his own affairs.

SECTION 41--JURISDICTION

41.1 CLAIMS DIVISION

Claims to which this chapter relates will be paid only upon settlement by the Claims Division in the following cases:

(1) When doubt exists as to the amount or validity of the claim.

(2) When doubt exists as to the person(s) properly entitled to payment.

41.2 ADMINISTRATIVE AGENCIES

Except as otherwise provided in subsections 41.1 and 43.3b of this chapter claims for unpaid amounts due incompetent public creditors may be paid by the administrative office.

SECTION 42--CLAIM FILING REQUIREMENTS

42.1 FORM OF CLAIM

No form is prescribed for use in making claim for sums due incompetent creditors of the United States. Such claims

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must be filed in writing over the signature and full address of the person claiming on behalf of the incompetent creditor and must set forth the connection of the incompetent creditor with the United States Government, giving the name of the department, bureau, establishment, or agency involved.

42.2 CLAIM FILED BY GUARDIAN OR COMMITTEE

a. INITIAL CLAIM. The initial claim filed by the guardian or committee of the estate of an incompetent must be accompanied by a short certificate of the court showing the appointment and qualification of the claimant as guardian or committee.

b. CLAIMS FOR RECURRING PAYMENTS. Subsequent claims from guardians or committees for recurring payments need not be accompanied by an additional certificate of the court, but they must be supported by a statement that the appointment is still in full force and effect.

42.3 CLAIMS FILED BY OTHER THAN GUARDIAN OR COMMITTEE

If no guardian or committee has been or will be appointed the initial claim should be supported by a statement showing (1) claimant's relationship to the incompetent, if any, (2) the name and address of the person having care and custody of the incompetent, (3) that any amount paid to the claimant will be applied to the use and benefit of the incompetent, and (4) that the appointment of a guardian or committee is not contemplated.

SECTION 43--UNNEGOTIATED AND UNDELIVERED
GOVERNMENT CHECKS

43.1 RETURN OF UNNEGOTIATED GOVERNMENT CHECKS

All unnegotiated U.S. Government checks in possession of a claimant which are drawn to the order of an incompetent public creditor should be returned to the agency from which received.

43.2 CHECKS DRAWN ON THE UNITED STATES TREASURY

The proceeds of unnegotiated and/or undelivered checks which are drawn on the United States Treasury to

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the order of an incompetent public creditor will be obtained for claim settlement purposes by processing a regular disbursement voucher signed by a duly authorized certifying officer.

43.3 CHECKS DRAWN ON DESIGNATED DEPOSITARIES

a. CURRENT CHECKS. The proceeds of unnegotiated and/or undelivered checks which are drawn on designated depositaries of the United States Treasury to the order of an incompetent public creditor, and are still current as to issue date (see "b" below), will be obtained for claim settlement purposes by processing a regular disbursement voucher signed by a duly authorized certifying officer.

b. UNCURRENT CHECKS. Unnegotiated and/or undelivered checks, which are drawn on designated depositaries to the order of an incompetent public creditor and have not been paid prior to the close of the fiscal year next following the fiscal year in which the checks were issued, are uncurrent. Claims for the proceeds of such checks must be submitted to the Claims Division for settlement pursuant to the provisions of section 1(b) of the act of August 28, 1957, Public Law 85-183, 31 U.S.C. 132. The checks, if available, should accompany the claims.

43.4 CHECK INFORMATION TO ACCOMPANY CLAIM

A schedule or list of checks drawn on the United States Treasury or of current checks drawn on designated depositaries, showing the appropriation or account to which the proceeds have been credited, will be submitted by the agency concerned to the Claims Division with the claim. (See subsection 43.3 above relative to claims for the proceeds of uncurrent depositary checks.)

SECTION 44--APPLICABILITY OF GENERAL
CLAIM PROCEDURES

The provisions of chapter 2 of this title relating to the procedures applicable to claims generally are applicable also to the settlement of accounts of incompetent public creditors to which this chapter relates.

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CHAPTER 7--IRREGULARITIES AND WITHHOLDINGS UNDER THE
DAVIS-BACON ACT, 40 U.S.C. 276A, AND/OR THE CONTRACT
WORK HOURS AND SAFETY STANDARDS ACT, 40 U.S.C. 327-332(3)

SECTION 45--SCOPE OF CHAPTER

This chapter prescribes the form and procedures for withholding amounts to adjust wage underpayments and for reporting such Davis-Bacon Act and/or Contract Work Hours and Safety Standards Act violations to the General Accounting Office. The chapter also sets forth the information and evidence required to be included in factual and accounting reports.

SECTION 46--FORMS

46.1 FORM PRESCRIBED FOR PROCEDURES IN THIS CHAPTER

STANDARD FORM

SF 1093 Schedule of Withholdings Under the Davis-Bacon Act (40 U.S.C. 276a) and/or the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332(3))

A specimen copy of this form is contained in appendix A of this title.

SECTION 47--GENERAL ACCOUNTING OFFICE FUNCTIONS

47.1 RESPONSIBILITY OF THE GENERAL ACCOUNTING OFFICE

The General Accounting Office is responsible, in all instances where compliance with provisions of the Davis-Bacon Act has been questioned, for determining whether or not violations occurred in a sense that requires debarment of the contractor as provided in the act. Also, it is responsible, when funds have been withheld from a contractor to cover wage underpayments under said act or under the Contract Work Hours and Safety Standards Act, for paying aggrieved employees amounts to which they may be entitled. A third responsibility exists, in instances where withholding action has been taken, to settle claims by contractors based upon the amounts withheld.

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47.2 RESOLVING THE PROBLEM OF DEBARMENT

In general, the problem of debarment is resolved by distinguishing between, on the one hand, technical violations which have resulted from inadvertence or legitimate disagreement concerning classification and, on the other hand, substantial violations the intentional nature of which is demonstrated by bad faith or gross carelessness in observing obligations to employees with respect to the minimum-wage provisions of the act.

47.3 EVALUATION OF EVIDENCE

Since evidence which defines the nature and extent of violations for debarment purposes likewise establishes the propriety of withholdings from contractors and the extent of wage underpayments due employees, an integrated and consistent evaluation of such evidence is essential. In evaluating the evidence, the General Accounting Office gives careful consideration to administrative determinations and recommendations.

47.4 WHERE EVIDENCE IS OBTAINED

Most evidence is obtained and supplied by the agency having charge of a contract under which irregularities occur. In addition, certain data usually are added by the Department of Labor pursuant to cooperative measures adopted in view of its responsibilities for coordinating the enforcement of labor standards legislation under Reorganization Plan No. 14 of 1950, 5 U.S.C. 901-913, and Regulations of the Secretary of Labor thereunder, 29 CFR subtitle A, part 5. Also, in some instances additional evidence may be submitted by a contractor.

47.5 INDEPENDENT GENERAL ACCOUNTING OFFICE DETERMINATIONS

While the General Accounting Office is assisted by the counsel obtained from the sources specified in subsection 47.4 of this section it is required to make independent legal determinations based upon its own evaluation of evidence in each case. The settlement of claims submitted by contractors and employees involves a determination of the legal rights of each predicated upon the propriety of the withholding action.

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SECTION 48--ADMINISTRATIVE REPORTS

48.1 ADMINISTRATIVE REPORTS IN GENERAL

Complete administrative reports, including both accounting data and all evidence upon which determinations and recommendations are based, are necessary in all cases. Since the examination of cases by the General Accounting Office ordinarily is based upon a written record, all material matters, including negotiations with contractors, should be reduced to writing and furnished for consideration.

48.2 WHEN COMPREHENSIVE REPORTS ARE REQUIRED

Comprehensive reports are necessary in all instances where there is a disregard of obligations to employees. Failure to withhold moneys for wage underpayments, or the fact that wage underpayments have been corrected, does not obviate furnishing factual reports.

48.3 ADDRESS TO WHICH COMPREHENSIVE REPORTS SHOULD BE FORWARDED

Comprehensive reports should be forwarded direct to the Claims Division, U.S. General Accounting Office, Washington, D.C. 20548, unless required to be reported through the Department of Labor pursuant to its regulations.

48.4 THE ESSENTIAL ELEMENTS OF COMPREHENSIVE REPORTS

Where disregard of obligations to employees has been found, the comprehensive report should describe the nature and extent of irregularities and present the evidence relied upon to establish their existence. The essentials of such a report include (1) a chronological narration of the facts, (2) a copy of any investigative report and exhibits, including payrolls submitted to the Government and other pertinent documentary evidence, (3) copies of correspondence showing administrative action with respect to the exaction of compliance and actions taken or explanations proffered by offenders, and (4) any additional information, evidence, or recommendations believed to be useful in General Accounting Office determinations.

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48.5 REPORTING THE FINALITY OF ADMINISTRATIVE DETERMINATIONS

Reports should give definite information as to the finality of administrative determinations with respect to wage underpayments and as to contractors' compliance therewith. Until it can be demonstrated that administrative determinations of wage underpayments have become final in the sense that a contractor has acquiesced in them or has no further recourse through appeal, Federal payments to employees out of funds collected from a contractor not only would be hazardous but might result in improper payments. Also, an incurrence of expense to make such disbursements clearly would be inappropriate in any instance where Federal intervention might not actually be necessary to discharge the obligation imposed primarily upon contractors and subcontractors. It is essential, therefore, that the General Accounting Office be advised as to how a determination of underpayment becomes finally binding upon a contractor and in what manner it is evident that a contractor thereafter refused to comply.

48.6 CORRECTIONS OF UNDERPAYMENTS BY CONTRACTORS
OR SUBCONTRACTORS

Should wage underpayments be corrected by contractors or subcontractors to the satisfaction of the agency in charge of a contract, evidence of such corrective payments need not be furnished. An appropriate certification that adjustments have been verified will be satisfactory for purposes of the report.

SECTION 49--DISPOSITION OF COLLECTIONS
FOR WAGE UNDERPAYMENTS

There has been established in the General Accounting Office the account "05X6022," into which collections for wage underpayments will be deposited. The amounts so deposited will be available for settlement by the General Accounting Office when making appropriate payments to aggrieved employees.

SECTION 50--ACCOUNTING REPORTS

50.1 ACCOUNTING FOR COLLECTIONS

When collections have been made, SF 1093, Schedule of Withholdings Under the Davis-Bacon Act (40 U.S.C. 276a)

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and/or the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332), should be completed and forwarded, in duplicate, to the Claims Division. The form should be accompanied by an appropriate check payable to the General Accounting Office.

50.2 SCHEDULE OF UNDERPAYMENTS AND EMPLOYEES' CLAIMS

A schedule of the underpayments, showing names of employees, their current addresses, social security numbers, dates and hours of work, classifications and rates at which paid, and classifications and rates at which required to be paid, should be completed and attached to SF 1093 for transmission to the Claims Division, together with any claims received from the employees.

SECTION 51--WITHHOLDING PROCEDURES PRIOR
TO COLLECTION ACTION

51.1 INSTITUTION OF WITHHOLDING PROCEDURES

Withholding procedures may be instituted, as a matter of ensuring that full wages will be paid in questionable instances, prior to collection action. However, the General Accounting Office does not undertake to make adjustments with employees until wage underpayment determinations have become final and unless contractors have refused to comply with such determinations. The reasoning followed is that (1) the primary responsibility for making full payment to employees rests upon contractors (and subcontractors) and (2) the expense of disbursement to employees by the Government should be avoided where possible. It follows that actual collections and deposits of moneys into the trust fund (as distinguished from withholdings as necessary) should not be completed until it can be shown that all controversies have been finally settled and that contractors themselves cannot, or will not, discharge their obligations in full.

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CHAPTER 8--CLAIMS AGAINST THE UNITED STATES RELATING TO
LOSS OR DAMAGE TO SHIPMENTS

SECTION 52--SCOPE OF CHAPTER

52.1 SCOPE

This chapter contains the general procedures applicable to the presentation, settlement, reconsideration, and review of claims against the United States relating solely to loss and damage incurred in transportation services.

Note: The word "claims" as used in this chapter means requests by claimants for amounts deducted or set off by the Government.

SECTION 53--CLAIMS TO BE PAID ADMINISTRATIVELY

Claims by carriers for all or part of amounts deducted for loss and damage, which are not barred by a statute of limitations or which do not involve a doubtful question of law or fact, may be paid by departments and agencies.

SECTION 54--CLAIMS TO BE SUBMITTED FOR ADJUDICATION

Claims involving loss and damage, other than those specified in section 53 of this chapter should be submitted without payment by departments and agencies to the Claims Division. See also section 59 of this chapter. Claims for transportation charges should be referred to the General Services Administration, in accordance with the procedures of that agency.

SECTION 55--PRESENTATION OF CLAIMS

55.1 FILING REQUIREMENTS FOR CLAIMANTS

Claims will not be considered unless presented in writing over the bona fide signature and address of the claimant or over the signature of the claimant's agent or attorney, indicated to be such by a duly executed power of attorney or other documentary evidence of the agent's or attorney's right to act for the claimant.

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55.2 EVIDENTIARY DATA REQUIRED

Each claim should set forth all the pertinent facts and details and be supported by such evidentiary data as will clearly establish the liability of the United States. Bare assertions or conclusions as to amounts due from the United States usually are not accorded formal consideration.

55.3 WHERE CLAIMS SHOULD BE FILED

Action generally will be expedited if claimants file their claims with the administrative department or agency out of whose activities the claims arose. However, a claimant may file a claim directly with the Claims Division, General Accounting Office, Washington, D.C. 20548, particularly if the applicable statutory period of limitation is about to expire.

SECTION 56--CLAIMS FOR AMOUNTS ADMINISTRATIVELY DEDUCTED

When a deduction is made by an administrative officer from amounts otherwise due, reclaim, if found necessary, should first be filed with the administrative agency involved. If final administrative disposition of a claim is not satisfactory, the claim for all or any part of the amount deducted may be filed with the Claims Division, U.S. General Accounting Office, Washington, D.C. 20548. No form is prescribed for filing such claim, but the transaction involved must be fully identified.

SECTION 57--STATUTORY LIMITATIONS ON FILING
SUITS IN COURT

46 U.S.C. 745 imposes a 2-year limitation on court actions against the United States on maritime claims; 49 U.S.C. 16(3)(i), 304a(8), 908(f)(5), and 1006a(8) impose a 3-year limitation on court actions against the United States on claims of carriers subject to the Interstate Commerce Act; and 28 U.S.C. 2401 and 2501 impose a 6-year limitation on court actions against the United States on other claims. Administrative agencies should not pay claims which are "time-barred" by these statutory limitations. Except where specific exemption has been granted by the Comptroller General, such claims should be forwarded to the Claims Division, for adjudication and settlement. If there is

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doubt as to whether a carrier's claim is "time-barred," the claim should be forwarded to the Claims Division for consideration and appropriate disposition.

SECTION 58--STATUTORY LIMITATIONS ON FILING CLAIMS IN THE GENERAL ACCOUNTING OFFICE

Subsection (1) of section 71a of title 31 U.S.C. imposes a 6-year limitation on the filing of claims cognizable by the General Accounting Office under sections 71 and 236 of title 31 U.S.C. The filing of a claim with some other agency will not meet the requirements of this statute; the claim must be received in the General Accounting Office within 6 years after the date such claim first accrued.

SECTION 59--SUBMISSION OF CLAIMS FOR DIRECT SETTLEMENT

Each claim submitted by a Government department or agency to the Claims Division, for adjudication and settlement, except those for amounts previously collected by the General Accounting Office, shall be accompanied in each case by: (1) an appropriate certification as to factual matters not considered by previous certifications, (2) an administrative report as to any pertinent information not previously furnished the General Accounting Office, (3) a recommendation on the action to be taken, (4) a citation to previous payments, if any, by reference to disbursing office voucher number, date of payment, and disbursing office symbol number, and (5) a citation to the applicable appropriation(s) or fund(s). Administrative reports and recommendations need not be forwarded in connection with claims for amounts collected by or through the efforts of the General Accounting Office with this exception: if such claims are submitted through an administrative agency, there should be furnished any factual data available in the agency which was not submitted previously to the Claims Division.

Claimants should be advised by administrative agencies of the dates their claims actually are transmitted to the Claims Division for adjudication.

Further administrative action by a department or agency is not required except to furnish material information subsequently received or to furnish any supplemental reports requested by the General Accounting Office.

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SECTION 60--ACKNOWLEDGMENT OF CLAIMS AND
INQUIRIES WITH RESPECT TO THEM

60.1 ACKNOWLEDGMENTS

Claimants are advised of the claim number assigned to each claim received in the Claims Division.

60.2 INQUIRIES BY CLAIMANTS

Every effort is made to adjudicate claims as soon as practicable, and claimants are requested to withhold inquiries for at least 6 months after receipt of acknowledgments from the General Accounting Office.

SECTION 61--BASIS OF CLAIM SETTLEMENTS

Claims are settled on the basis of the contract of carriage as evidenced by the bill of lading or other contractual agreement; the payment record; reports as required from a Government department or agency; information available in the General Accounting Office; and the written and documentary record submitted by the claimant. Oral presentations are not acceptable to supplement the written record. The adjudication and settlement of claims is founded on the determination of the legal liability of the United States under the factual situation disclosed by the record. The burden is on a claimant to establish the clear liability of the United States and the claimant's right to payment.

SECTION 62--PROCESSING CLAIMS CERTIFIED FOR
PAYMENT IN FULL OR IN PART

62.1 FORM OF SETTLEMENT

When it is determined that all or any part of a claim is proper for allowance, the amount allowed is certified in the Claims Division on a Certificate of Settlement, GAO Form 39, and a complete explanation is furnished on this form as to any amount disallowed. Such certificates are forwarded to the proper administrative agency or department for payment or processing through its records and for scheduling to the proper disbursing officer for prompt payment.

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62.2 LIMITATION ON ADMINISTRATIVE REVIEW AND ALTERATION
OF SETTLEMENTS

Departments and agencies may not effect an administrative revision as to legality or correctness of Certificates of Settlement, GAO Form 39, covering claims certified for payment in full or in part by the General Accounting Office. However, administrative agencies and departments are authorized to alter Certificates of Settlement to indicate the applicable appropriation symbol number in use at the time of payment and to correct subsidiary accounting references or like information in connection with the appropriation or fund stated.

No alteration may be made which will result in the payment of the claim from a different appropriation or fund or in an amount other than that originally stated on the Certificate of Settlement. If for any reason Certificates of Settlement are not processed and paid promptly, they should be returned to the Claims Division with an explanation as to the reason for nonpayment.

62.3 PROCESSING AND DISTRIBUTING CERTIFICATES OF SETTLEMENT

Except as otherwise provided below in subparagraph (2), Certificates of Settlement will be processed as follows:

(1) The original and four copies will be forwarded to the administrative department or agency whose funds are to be charged. A copy of the transmittal letter will be promptly receipted and returned to the Claims Division. If the administrative office uses the voucher-schedule procedures outlined in 7 GAO 22, the original and the claimant's notice copy will be forwarded to the disbursing office for disposition, in accordance with (a) and (b) below, and the original will be scheduled in the same manner as other approved vouchers. If the voucher-schedule procedures are not used, the original and two copies of the certificate will be forwarded to the disbursing office for disposition, after payment, as follows:

(a) The original will be stamped in the upper right-hand corner with the disbursing office voucher number and date of payment, and will be used to support the disbursing officer's account.

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(b) The claimant's notice copy will be mailed to the payee with any check issued.

(2) When all or part of the amount certified for payment is withheld by the General Accounting Office as a credit against a debt due the United States, additional copies of the certificate will be supplied as necessary for forwarding by the disbursing officer to the agency whose accounts are to be credited. The administrative office will be responsible for the preparation of Schedule of Voucher Deductions, SF 1096, as required. When the full amount certified for payment is withheld by the General Accounting Office for application to a debt, the claimant's notice copy of the Certificate of Settlement will be forwarded to the claimant by the General Accounting Office, and when the same appropriation or fund is to be charged and credited, a notation that the original is being retained in the General Accounting Office will be placed on the certificate.

62.4 NOTIFICATION OF AGENCY ADDRESS

Certificates of Settlement are forwarded only to one address in each agency, or each department or bureau thereof. Each agency should furnish promptly to the Claims Division notice of any change in the address to which Certificates of Settlement are to be forwarded.

SECTION 63--DISALLOWED CLAIMS

When a claim is wholly disallowed, the claimant is advised by a Settlement Certificate, GAO Form 44, which furnishes a complete explanation of the reasons for the action taken. One copy of the GAO Form 44 is furnished to the department or agency concerned at the same address to which Certificates of Settlement are forwarded.

SECTION 64--EFFECT OF GENERAL ACCOUNTING OFFICE
CLAIM SETTLEMENTS

64.1 FINALITY AS TO ADMINISTRATIVE AGENCIES

Settlements issued by the General Accounting Office are final and conclusive upon the executive branch of the Government unless revised by or at the direction of the Comptroller General.

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64.2 SETTLEMENTS NOT TO BE USED AS PRECEDENTS

A General Accounting Office claim settlement of an individual claim is not to be regarded by a department or agency as a precedent for the guidance of accountable or other administrative officers as to future payments.

SECTION 65--REVIEW AND RECONSIDERATION OF GENERAL
ACCOUNTING OFFICE CLAIM SETTLEMENTS

65.1 WHO MAY OBTAIN REVIEW

Settlements made pursuant to 31 U.S.C. 74 will be reviewed (1) at the discretion of the Comptroller General upon the written application of (a) a claimant whose claim has been settled or (b) the head of the department or Government establishment to which the claim or account relates or (2) upon motion of the Comptroller General at any time.

65.2 BASIS FOR REQUEST FOR REVIEW

Applications for review of claim settlements should state the errors which the applicant believes have been made in the settlement and which form the basis of his/her request for reconsideration.

65.3 RETURN OF CHECK OR WARRANT WITH REQUEST FOR REVIEW

The check issued upon a settlement must not be cashed, but must accompany the application for review of the claim settlement if the amount of the check includes an item for which the review is applied, unless the Comptroller General directs otherwise.

65.4 PROTESTS RECEIVED IN ADMINISTRATIVE OFFICES AGAINST
GENERAL ACCOUNTING OFFICE SETTLEMENTS

An administrative office will promptly refer the following to the Claims Division, General Accounting Office:

- (1) Protests or appeals of settlements made by the Claims Division.

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- (2) Any additional claim, the settlement of which requires reconsideration of a previous settlement made by the General Accounting Office. The prior claim will be cited, and an additional administrative report will be furnished, to support the additional claim.

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CHAPTER 9--DEBT CLAIMS--GENERAL POLICIES AND
PROCEDURES

SECTION 66--SCOPE AND PURPOSE OF CHAPTER

66.1 SCOPE

This chapter relates to debt claims by the United States. Special procedures applicable to specified types or classes of debt claims will be found in subsequent chapters of this title.

66.2 PURPOSE

The purposes of this chapter are to:

(1) Define doubtful debt claims and outline the basic procedures for reporting them to the General Accounting Office for adjudication pursuant to section 305 of the Budget and Accounting Act, 1921, 31 U.S.C. 71, and title 4, chapter II of the Code of Federal Regulations.

(2) Define the responsibility of administrative agencies for collecting amounts determined to be due the United States.

(3) Establish principles to govern agency collection procedures.

(4) Prescribe the procedures for reporting to the General Accounting Office, pursuant to section 305 of the Budget and Accounting Act, 1921, 31 U.S.C. 71, and title 4, chapter II of the Code of Federal Regulations, debts determined to be uncollectible through means available to the administrative agencies.

(5) Provide for removing administratively uncollectible debts from accounting records of the administrative agencies.

(6) Outline the disposition which will be made of amounts collected by the General Accounting Office.

(7) Define administrative procedures and responsibilities relative to the statute of

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limitations established by Public Law 89-505,
approved July 18, 1966, 28 U.S.C. 2415.

SECTION 67--DOUBTFUL DEBT CLAIMS

67.1 DEFINITION

Debt claims are doubtful when a person at a fully responsible administrative level, having final responsibility for deciding on the proper course of administrative action is uncertain as to the amount involved, the liability of the parties, or the action to be taken.

67.2 REPORTING DOUBTFUL DEBT CLAIMS TO GENERAL
ACCOUNTING OFFICE

Doubtful debt claims over \$25 should be reported promptly to the Claims Division for adjudication. The report should contain a complete statement of the facts and doubtful questions involved. The General Accounting Office will adjudicate the claims and return them with advice of its findings and conclusions except in cases involving offers to compromise doubtful debts, which may be acted upon or returned with instructions or advice in accordance with 4 CFR 103.8. Reports should be forwarded to:

Claims Division
U.S. General Accounting Office
Washington, D.C. 20548

67.3 SECTION NOT APPLICABLE TO NOTICE OF EXCEPTION
CASES

This section does not apply to cases in which the administrative office questions the propriety of a notice of exception issued by an accounting and auditing division of the General Accounting Office; questions in such cases should be resolved through appropriate contacts with the accounting and auditing division that issued the notice of exception or be presented to the Comptroller General for decision if necessary.

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SECTION 68--ADMINISTRATIVE RESPONSIBILITY
FOR COLLECTING DEBTS

68.1 ADMINISTRATIVE RESPONSIBILITY

The Federal Claims Collection Act of 1966, 31 U.S.C. 951-953, places the responsibility on administrative agencies for collecting debts determined to be due the United States, which arise as a result of their activities. For debts which do not exceed \$20,000, exclusive of interest, agencies are authorized to compromise, terminate, or suspend collection action. Also, this responsibility for collection action includes those debts which are determined to be due on account of illegal, improper, or incorrect payments shown in General Accounting Office notices of exception issued to certifying or disbursing officers, but the authority to compromise this class of claims is expressly reserved in the General Accounting Office. Further, each agency is responsible for cooperating and assisting in the collection of debts known to be due the United States arising out of the activities of other agencies, and this responsibility is not limited to those cases in which amounts due debtors are authorized by statute to be withheld and applied in liquidation of their debts.

68.2 REQUIREMENTS FOR DISCHARGE OF ADMINISTRATIVE
RESPONSIBILITIES

The proper discharge of these administrative responsibilities requires that policies be adopted and procedures developed which will

(1) assure maximum collection results commensurate with the circumstances in each case and the cost entailed,

(2) provide for suitable integration of agency processes with those of other agencies, but only as a supplement to, not as a substitute for, the responsible agency's actions, and

(3) avoid unnecessary or overlapping actions, both in the agency's internal processes and in terms of the total actions on behalf of the United States.

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68.3 DEVELOPMENT OF ADMINISTRATIVE PROCEDURES

Each agency will develop a program and internal procedures governing efforts to recover amounts due the United States, consistent with the provisions of title 4, chapter II of the Code of Federal Regulations and the general requirements prescribed in 4 GAO 69.

SECTION 69--PRINCIPLES FOR AGENCY
COLLECTION PROGRAMS

69.1 BASIC PRINCIPLES

To be effective, agency debt-collection programs must be comprehensive, vigorous, and uniformly applied in principle. Consistent with the circumstances in different types of cases, they should provide for timely, forceful, and persistent action to collect from the individual payee, recipient, or other person or entity legally liable for payment of the debt. The programs should be designed to lead to the earliest practicable conclusion of administrative effort to effect collection.

69.2 COLLECTION METHODS

Debt collection procedures should provide for the use of all reasonable means of collection available to the administrative agencies, consistent with the debtor's ability to pay and with good business practices--procedures such as:

(1) Timely and aggressive demands describing the debt.

(2) Efforts to locate the debtor.

(3) Setoff, when appropriate, of amounts due indebted contractors under the agency's contracts.

(4) Application of the procedures prescribed in chapter 10 of this title for setting off amounts due indebted contractors under contracts with other agencies.

(5) Setoff of amounts due individuals when authorized by law, with particular reference to the withholding authority in 5 U.S.C. 5511-5514, 5705, and 5724(f).

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(6) Requests to other agencies for cooperation in collecting debts from persons who are in their employ or service or who are otherwise currently receiving payments from them.

Provision should be made for businesslike safeguards to preclude duplicate collection action.

69.3 POINTS OF DIMINISHING RETURNS

Administrative collection procedures should provide for the establishment and observance of realistic points of diminishing returns, applicable equally to notice of exception cases and to other debts, beyond which further collection efforts by the agency are not justified. In establishing such points, consideration should be given to estimated or actual recovery rates in relation to

(1) the costs of the different types of actions,

(2) the size of the debt, and

(3) the apparent possibilities of collection through the agency's efforts and those of other agencies.

SECTION 70--ADMINISTRATIVELY UNCOLLECTIBLE DEBTS

70.1 GENERAL RULES FOR REPORTING UNCOLLECTIBLE DEBTS TO THE GENERAL ACCOUNTING OFFICE

Debts that cannot be collected in full by agency collection efforts in accordance with 4 CFR 102 should be compromised, suspended, or terminated in accordance with 4 CFR 103 and 104 or reported to the General Accounting Office in accordance with 4 CFR 105 for further collection action. As a general rule, since agencies are required to take all reasonable collection actions short of legal action (including attempts to locate the debtor and determine ability to pay), the determination as to whether or not a debt should be forwarded for further collection action should be governed by the potential for collection through legal action.

The following guidelines should assist agencies in evaluating the potential for legal action:

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a. DEBT SIZE: Debts amounting to less than \$600 should not be referred for enforced collection, except where a significant enforcement policy is involved.

b. ABILITY TO PAY: Legal action ordinarily will require evidence that (1) the debtor has assets that may be realized upon or (2) family income is sufficient to repay. The following rule of thumb should be applied to income:

Rural area--Refer for further collection action if there is annual income of at least \$7,500 for the first member of the family and \$500 for each additional member.

Urban area--Refer for further collection action if there is annual income of at least \$8,500 for the first member of the family and \$500 for each additional family member.

70.2 EXCEPTIONS TO THE GENERAL RULES

a. DEBTORS INVOLVED IN BANKRUPTCY PROCEEDINGS. When notice is received that a debtor is involved in bankruptcy proceedings, the procedures prescribed in chapter 15 of this title shall be followed.

b. DEBTORS DISCHARGED IN BANKRUPTCY. A debt shall not be reported, regardless of amount, when it is known that the debtor has been discharged in bankruptcy, and that the amount due the United States was listed in his schedule of debts, provided no question of fraud is involved.

c. DEBTS OF CORPORATIONS. Debts of a corporation shall not be reported, regardless of amount, when all of the following conditions are present:

(1) When it is known that the debtor corporation has been dissolved.

(2) When it is known that there are no corporate assets from which collection can be made.

(3) When the whereabouts of the officers and directors of the corporation are unknown.

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d. DECEASED DEBTORS. An effort should be made to ascertain whether the decedent left an estate, through inquiries to relatives, representatives, or clerks of probate courts. Debts should not be reported, regardless of amount, when positive evidence shows the decedent left no estate. Agencies should never file a formal proof of claim in estate proceedings, but should promptly report to the General Accounting Office cases requiring such action, in accordance with subsection 70.1.

e. DEBT MATTERS CLOSED BY THE DEPARTMENT OF JUSTICE. (1) Debts arising out of damage to or loss of Government property due to tortious acts, including the negligent operation of privately owned vehicles and trespass on Government lands, buildings, or projects, as specifically covered in chapters 12 and 13 of this title, and (2) debts which may have been referred to the Department of Justice otherwise for consideration need not be reported.

f. SPECIFICALLY EXCEPTED CLASSES OF DEBTS. Debts shall not be reported when specifically excepted from the general reporting requirements by the Comptroller General or by the Claims Division, acting pursuant to delegated authority. Specific exceptions will continue in effect until specifically withdrawn. The exception of a class of cases will not prohibit an agency from reporting individual cases of that class if it appears under the circumstances in a particular case that the General Accounting Office may be able to effect collection. When transmitting an excepted case, the reason for reporting the debt should be included in the administrative report.

70.3 REPORTING DEBTS DUE GOVERNMENT CORPORATIONS

While debts due Government corporations are generally not required to be reported to the Claims Division, such debts may be reported for further collection proceedings, within the limitations and subject to the procedures prescribed in this section, when exhaustive efforts to collect have been unsuccessful and the corporation has reason to believe they may be collected by the General Accounting Office through means available to it.

70.4 FORM AND CONTENT OF ADMINISTRATIVE REPORTS

The reports of administratively uncollectible debts to the Claims Division shall conform in all respects with the requirements of 4 CFR 105 and shall be reported in the following manner:

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(1) They shall be reported by individual administrative reports containing the debtor's full name and current address. If more than one party is liable for the debt and the current address of any party is unknown, the report will include a listing of the prior known addresses of such party and a statement of the steps taken to locate him.

(2) The debtor's service, serial, or other identifying number must be shown if the debt arose as a result of service in the Armed Forces; it shall be shown in connection with other debts also for purposes of identification, when available in the files of the reporting agency.

(3) The debtor's date of birth and social security number shall be shown, if known. For business firms, the employer's identification number (EIN), which corresponds to the social security number of an individual, shall be shown if obtainable.

(4) The reports shall contain a complete statement of the facts and computations which are pertinent under the laws and regulations on the basis of which the debt was administratively determined.

(5) The actions taken to collect or compromise the indebtedness, required by 4 CFR 105.4, shall be summarized.

(6) Reasonably current credit information (obtained within the last 6 months) will accompany the report.

(7) The report shall also contain citations to the applicable laws, regulations, contracts, vouchers, and checks.

(8) Also included should be copies of any correspondence between the debtor and the administrative office when the debtor has requested an explanation or questioned the amount of the debt or his liability.

(9) Copies of the documents should be included, which would establish the Government's position on issues raised by the debtor, when he has disputed or continues to dispute a material fact or facts after detailed explanation to him.

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(10) Reports relating to debts of persons known to be currently employed by the Government or serving in the uniformed services should include information showing the action taken to recover the amount through the agency in which the debtor is employed or serving and the results thereof.

(11) The reports shall include the date the debt first accrued, the date of any partial payments, and copies of any correspondence which might be construed as written acknowledgment of the debt. This information is necessary to determine the applicability of the statute of limitations (28 U.S.C. 2415), which is explained more fully in section 72 of this title.

70.5 WHERE ADMINISTRATIVE REPORTS SHOULD BE SENT

Reports of administratively uncollectible debts shall be forwarded to the General Accounting Office as follows:

(1) Except as otherwise provided below, debts shall be reported to:

Claims Division
U.S. General Accounting Office
Washington, D.C. 20548

(2) Debts which are the subject of General Accounting Office notices of exception, remaining outstanding in the accounts of accountable officers, shall be reported to the General Accounting Office as provided in (1) above, but these reports shall be forwarded through the General Accounting Office audit activity which issued the exception.

The provisions of subparagraph (2) do not apply, however, when it is known that the debtor is involved in bankruptcy proceedings. In these cases action will be taken as directed in chapter 15 of this title.

70.6 ADMINISTRATIVE ACCOUNTING FOR UNCOLLECTIBLE DEBTS

(1) Administrative agencies shall write off as uncollectible, receivables which are determined to be uncollectible through the means available to them. This action will leave under accounting control only those debts upon which collection efforts have been temporarily suspended or are being pursued, including debt matters referred

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directly to the Department of Justice, until advice is received that the Department has closed its file in the matter. All administratively uncollectible items, and those on which collection action has been terminated pursuant to 4 CFR 104.3, shall be recorded in a manner sufficient to support the writeoff, even though they are not required to be reported to the General Accounting Office for further collection action pursuant to subsection 70.1 of this section. No further control and collection effort by the administrative agency is required except in those instances where agencies are advised that a debtor is presently employed or serving in the reporting agency, in which event the debt should be reestablished on the agency records and collection action resumed. However, this does not preclude the agency from maintaining an administrative (as opposed to an accounting) record of those debts which, because of the relationship of the debtor to the agency, might at some future time become collectible through setoff of amounts becoming due the debtor from the agency.

(2) Surety bonds are no longer required for civilian employees or military personnel serving as accountable officers. Where it is necessary to adjust the account of an accountable officer because of loss due to the fault or negligence of such officer, and the head of the agency determines that the amount of the loss is uncollectible, the appropriation available for the expense of the accounting functions should be charged. Such adjustment will have no effect on the employee's personal liability. (Sections 101 and 102, Public Law 92-310, 86 Stat. 201, 31 U.S.C. 1201, 1202.)

70.7 COLLECTIONS BY ADMINISTRATIVE AGENCIES AFTER REPORT TO THE GENERAL ACCOUNTING OFFICE OR THE DEPARTMENT OF JUSTICE

The General Accounting Office should be notified immediately when collections are made or contemplated for application to debts previously reported to this Office for further collection action except (1) when the collections are accomplished under the Hold-up List procedures set forth in chapter 10 of this title and (2) when the agency forwarding the debt has received notice from this Office that collection action on the involved debt has been discontinued and the files have been closed. However, if such notice discloses that a judgment was obtained, the Claims Division should be advised immediately when administrative collections for application to the

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judgment debt are made or contemplated. This action is necessary so that the General Accounting Office may continue to maintain appropriate records of unpaid judgment debts, including interest and court costs, when proper, and coordinate the information with the Department of Justice. Also, when an agency or department has referred a debt directly to the Department of Justice or a U.S. attorney, the Department or Attorney should be notified immediately when administrative collections for application to the debt are made or contemplated.

SECTION 71--DISPOSITION OF COLLECTIONS
MADE BY GENERAL ACCOUNTING OFFICE

71.1 DISPOSITION OF REMITTANCES

Collections made by the Claims Division will be deposited into the Treasury by this Office. Collections properly creditable to trust or deposit funds will be deposited to the credit of the appropriate fund account. Other collections will be deposited as miscellaneous receipts.

71.2 NOTICE TO ADMINISTRATIVE AGENCIES

Administrative agencies will not be notified of collections which are deposited as miscellaneous receipts. If deposit is made to the credit of a trust or deposit fund account, a copy of the certificate of deposit will be furnished the recipient agency for accounting control purposes.

The administrative agency also will be notified (1) of the final collection action on items included in the Hold-up List and (2) of final collection of debts which are the subject of notices of exception for which the accountable officer has not been relieved of responsibility.

SECTION 72--APPLICATION OF THE STATUTE OF LIMITATIONS

72.1 STATUTORY LIMITATIONS ON DEBT CLAIMS

Public Law 89-505, approved July 18, 1966, 28 U.S.C. 2415, provides with certain exceptions, that every action for the recovery of money erroneously paid to or on behalf of any civilian employee of any agency of the United States, or to or on behalf of any member or dependent of any member of the uniformed services of the United States, incident to

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the employment or services of such employee or member, shall be barred unless the complaint is filed within 6 years after the right of action (the right to begin and prosecute an action in the courts) accrues. The law also provides that every action for money damages brought by the United States or an officer or agency thereof, which is founded upon any contract, express or implied in law or fact, shall be barred unless the complaint is filed within 6 years after the right of action accrues or within 1 year after final decisions have been rendered in applicable administrative proceedings required by contract or by law, whichever is later. In the event of later partial payment or written acknowledgment of the debt, the right of action is deemed to accrue again at the time of each such payment or acknowledgment. In addition, the statute provides, with certain exceptions, that every action for money damages, brought by the United States or an officer or agency thereof, which is founded upon a tort shall be barred unless complaint is filed within 3 years after the right of action first accrues.

72.2 ADMINISTRATIVE RESPONSIBILITY UNDER THE STATUTE

- (1) It is incumbent upon all administrative agencies to be familiar with the provisions of the statute of limitations, including the exceptions and exclusions to the general definition in 72.1.
- (2) Care should be exercised during the processing of all debt claims to prevent the expiration of the statute. Cases should be considered for litigation prior to the earliest barring date which might apply. Any case in which the statute of limitations may expire before being sent to the Department of Justice should be carefully examined for a reasonable basis for using a later date, for considering the claim under other statutory authority, or for applying one or more of the exclusions covered in 28 U.S.C. 2416. Cases in which doubt exists regarding the statute of limitations should be sent to the General Accounting Office for consideration.
- (3) Cases forwarded to the General Accounting Office should be forwarded at least 1 year before the expiration of the statute of limitations.

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- (4) Cases forwarded directly to the Department of Justice should be forwarded at least 6 months prior to the expiration of the statute of limitations.
- (5) In their collection process, agencies should allow time for full compliance with the collection procedures and requirements prescribed in 4 CFR 101-105 and this title. Any omission of these requirements will be limited to those cases in which the date is imminent on which suit will be barred.

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CHAPTER 10--CONTRACT DEBT PROCEDURES

SECTION 73--SCOPE AND PURPOSE OF CHAPTER

73.1 SCOPE

This chapter relates to debts arising out of contracts with the United States, except debts arising out of freight and passenger transportation services furnished for the account of the United States or exclusive of cases involving fraud or bankruptcy.

73.2 PURPOSE

The purpose of this chapter is to prescribe procedures for withholding amounts due indebted contractors, under contracts with agencies other than the creditor agencies, for application against the debts of the contractors.

SECTION 74--APPLICABILITY OF GENERAL
POLICIES AND PROCEDURES

The provisions of chapter 9 of this title covering the policies, principles, and procedures applicable to debt claims generally are applicable to debts arising out of contracts with the United States. The procedures prescribed in this chapter are one means available for collecting contract debts when attempts to secure cash settlements have been unsuccessful. Withholding or setoff should not be made in contravention of the rights of assignees under the Assignment of Claims Act of 1940, as amended, 31 U.S.C. 203, 41 U.S.C. 15.

SECTION 75--LIST OF INDEBTED CONTRACTORS
(HOLD-UP LIST)

The Commander, U.S. Army Finance and Accounting Center, Attn: FINCY-AB, Indianapolis, IN 46249, maintains a list of contractors indebted to the United States, commonly referred to as the Hold-up List. The Department of the Army has consented to include on the Hold-up List the names of contractors indebted to other departments and agencies when the debts are reported by the creditor agencies for inclusion on the list. The Department of the Army will circularize the Hold-up List to all participating agencies with the understanding that only as many copies of the list shall be prepared and distributed as will most effectively

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accomplish the desired result without undue additional cost. The purpose of listing indebted contractors and circularizing the list is to put all contracting agencies of the Government on notice of debts arising under contracts with other agencies, so amounts due the indebted contractors may be withheld for application against the debts.

SECTION 76--PROCEDURES FOR WITHHOLDING
AMOUNTS DUE INDEBTED CONTRACTORS

76.1 DIRECT REQUEST BY CREDITOR AGENCY FOR WITHHOLDING

If an agency to which a contractor is indebted knows that the debtor contractor has a payment due from another agency, it will request that agency to withhold from the debtor contractor and remit to the creditor agency an amount sufficient to cover the indebtedness. When making the request, the creditor agency should state how it prefers the remittance check to be drawn.

76.2 REPORTING DEBTS TO DEPARTMENT OF THE ARMY FOR
INCLUSION ON THE HOLD-UP LIST

Agencies should fully utilize the Army's Hold-up List in collecting debts from contractors as provided in 4 CFR 102.3. Reports to the Army of debts to be listed should show, if available, the employer's identification number (EIN) which is used on tax returns, as well as the name and address of the contractor.

Contract debts which are not collected through this means or other available sources and which cannot be compromised, terminated, or suspended should be determined administratively uncollectible and reported to the Claims Division as provided in 4 GAO 70. At the time debts are reported to the General Accounting Office, the creditor agency will inform the Commander, U.S. Army Finance and Accounting Center, that the debts have been reported to the General Accounting Office. Information that a debt has been referred to the General Accounting Office should be included in the listing by the Department of the Army. No item of less than \$200 shall be reported to the Department of the Army for inclusion on the list.

76.3 WITHHOLDING AMOUNTS DUE CONTRACTORS

a. FOR APPLICATION TO DEBTS NOT REPORTED TO THE GENERAL ACCOUNTING OFFICE. When the debt has not been reported to

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the General Accounting Office, the paying agency will cause checks covering amounts to be withheld for application to a contract debt due another agency to be drawn payable in the alternative either to "[contractor's name] or Treasurer of the United States" or to "[contractor's name] or [name of the creditor agency]" depending on the preference of the creditor agency. If the setoff involves more than one creditor agency, a check will be drawn to cover each indebtedness. The checks will be transmitted to the creditor agency with a statement sufficient to identify the debt against which they are to be applied. At the same time the agency making the payment will notify the indebted contractor of the action taken. If the amount due the contractor exceeds the amount due the United States, an additional check for the balance due will be drawn in favor of and forwarded directly to the contractor.

b. FOR APPLICATION TO DEBTS REPORTED TO THE GENERAL ACCOUNTING OFFICE. When the debt has been reported to the Claims Division, the paying agency will cause checks covering amounts to be applied against a contract debt to be drawn payable to "[contractor's name] or U.S. General Accounting Office." If the setoff involves more than one creditor agency, a check will be drawn to cover each indebtedness. The checks will be transmitted to:

Claims Division,
U.S. General Accounting Office,
Washington, D.C. 20548,

with a statement sufficient to identify the debts against which they are to be applied. At the same time, the agency making the payment will notify the indebted contractor and the creditor agency of the action taken. If the amount due the contractor exceeds the amount due the United States, an additional check for the balance due will be drawn in favor of and forwarded directly to the contractor.

76.4 DISPOSITION OF WITHHOLDING CHECKS BY GENERAL ACCOUNTING OFFICE

When the Claims Division receives a check in liquidation of an item on the Hold-up List, it will take the following action.

(1) If the full amount of the check is due the United States, it will be deposited to the proper account.

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(2) If only a portion of the check is found to be due the United States, that portion will be deposited to the proper account and the balance will be paid to the contractor.

(3) If the debt was previously liquidated and no portion of the check is due the United States, the check will be transmitted to the contractor.

SECTION 77--REVISION OR REMOVAL OF ITEMS
ON THE HOLD-UP LIST

77.1 NOTICE TO DEPARTMENT OF THE ARMY OF COLLECTIONS
AFFECTING DEBTS ON THE HOLD-UP LIST

a. RESPONSIBILITY OF CREDITOR AGENCY. The creditor agency will furnish appropriate advice to the U.S. Army Finance and Accounting Center relating to collections or withholdings made for application to debts which it has reported to that office for inclusion on the Hold-up List, except final collections made by the General Accounting Office, so the list may be revised.

b. RESPONSIBILITY OF GENERAL ACCOUNTING OFFICE. The Claims Division will notify the U.S. Army Finance and Accounting Center when it has taken final collection action or determined that further collection action is unwarranted, in cases which have been reported to the General Accounting Office and which appear on the Hold-up List, and will furnish copies of the notices to the creditor agencies for their information. The U.S. Army Finance and Accounting Center will remove these cases from the Hold-up List on the basis of notice from the General Accounting Office without further direction from the creditor agencies.

77.2 REMOVING DEBTS OF LESS THAN \$1,000 FROM THE HOLD-UP
LIST, REGARDLESS OF COLLECTION

Agencies reporting the names of indebted contractors for the Hold-up List shall cause such names to be removed from the list when the debts are less than \$1,000 and the names have appeared thereon for 12 months following the date the debts were reported to the General Accounting Office. This action should be taken even though the debts have not been collected. However, items of less than \$1,000 may be retained on the list for a longer period when the facts and circumstances warrant. Participating departments and agencies

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shall screen the Hold-up List periodically for the purpose of removing items of less than \$1,000 or reinstating such items upon proper request therefor.

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CLAIMS

CHAPTER 11--DUAL COMPENSATION DEBT PROCEDURES

SECTION 78--SCOPE OF CHAPTER

This chapter relates to debts arising out of the receipt of compensation from the United States, including Government-owned or controlled corporations, or from the government of the District of Columbia, in violation of any provision of law prohibiting or restricting the receipt of dual compensation.

SECTION 79--APPLICABILITY OF GENERAL
POLICIES AND PROCEDURES

The general policies, principles, and procedures prescribed in chapter 9 of this title apply to dual compensation debts, emphasizing that timely collection efforts are desirable. As a collection procedure, a creditor agency should contact the debtor's employing agency, or the agency from which he is receiving retired pay, and request assistance in collecting by voluntary setoff, as provided in 4 CFR 102.3. The exceptions to the requirement that administratively uncollectible debts be reported to the General Accounting Office, contained in 4 GAO 70.1 and 70.2, apply to the reports referred to in both subsections 81.2 and 81.3 of this chapter.

SECTION 80--ADMINISTRATIVE RESPONSIBILITY
WHEN MORE
THAN ONE AGENCY IS INVOLVED

80.1 DETERMINING AMOUNT OF DEBT AND CREDITOR AGENCY

When more than one department or agency is involved in a dual compensation debt, the department or agency discovering the existence of such debt will determine by contact with the other agency, as may be necessary, (1) the amount of the debt and (2) the creditor agency.

80.2 RESPONSIBILITY FOR COLLECTING DEBT

It will be the responsibility of the creditor agency to pursue the necessary collection action and make such reports to the General Accounting Office as may be required.

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SECTION 81--REPORTING DUAL COMPENSATION DEBTS
TO THE GENERAL ACCOUNTING OFFICE

81.1 STATUTORY LIMITATION ON COLLECTION OF DUAL
COMPENSATION DEBTS

The act of August 28, 1954, 31 U.S.C. 237a, provides:

"The United States waives all claims against any person arising out of the receipt by such person of compensation from the United States including Government owned or controlled corporations or from the government of the District of Columbia in violation of any provision of law prohibiting or restricting the receipt of dual compensation, which has not been reported to the General Accounting Office for collection within six years from the last date of any period of dual compensation." (Underscoring supplied.)

81.2 REPORTING DUAL COMPENSATION DEBTS TO GENERAL ACCOUNTING
OFFICE WITHIN PRESCRIBED TIME PERIOD

The creditor agency will be responsible for reporting dual compensation debts, discovered administratively, to the Claims Division for collection before the expiration of the 6-year limitation period set forth in 31 U.S.C. 237a. Debts which cannot be determined to be administratively uncollectible and reported pursuant to 4 GAO 70 within the 6-year period should be reported on agency forms similar in format to appendix A, before the expiration of the period. These special reports may be made at any time before the 6-year period expires, but not before determination of the precise amount of the debt. They should be submitted in quadruplicate to:

Claims Division
U.S. General Accounting Office
Washington, D.C. 20548.

The original and one copy will be retained by the General Accounting Office and the other two copies will be receipted and returned to the forwarding agency.

The administrative agency need not make the special report referred to above when a written notice of a dual compensation debt which had not been detected by the administrative office is received from an accounting and auditing division of the General Accounting Office. In such cases,

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General Accounting Office auditors will execute any reports that may be required. Two receipted copies of forms prepared by the auditors will be furnished to the creditor agency concerned.

81.3 REPORTING ADMINISTRATIVELY UNCOLLECTIBLE DUAL COMPENSATION DEBTS TO THE GENERAL ACCOUNTING OFFICE

When a dual compensation debt is reported to the General Accounting Office as administratively uncollectible pursuant to 4 GAO 70, the usual agency forms, if any, prescribed for that purpose should be used. If receipted copies of the special report form--similar to that shown in appendix A to this chapter--have been forwarded to the agency, one copy should accompany the report of uncollectibility. Debts should not be reported to the General Accounting Office as uncollectible when the debtor is making regular installment payments. However, such debts may be reported if installment payments are discontinued by the debtor and not resumed within a reasonable time.

81.4 DOUBTFUL CLAIMS

All cases in which doubt exists as to whether there has been a violation of a law prohibiting or restricting the receipt of dual compensation should be reported immediately to the Claims Division for adjudication. The General Accounting Office will adjudicate the claims and return them with its findings and conclusions, unless the report states that the claims have been determined administratively uncollectible at the time of reporting. If it is determined that there is no debt, the reporting agency will be notified. The special report forms patterned after appendix A to this chapter should not be used for reporting doubtful cases.

CLAIMS

APPENDIX A

CLAIMS-GENERAL
TITLE 4CHAPTER 10
APPENDIX A

REPORT OF INDEBTEDNESS RESULTING FROM DUAL COMPENSATION

To: Claims Division
U.S. General Accounting Office
Washington, D.C. 20548

Date

The individual named below has been determined to be indebted to the United States by reason of having received dual compensation in contravention of applicable statutes. The matter is hereby reported for collection in conformance with the provisions of the act of August 28, 1954, 31 U.S.C. 237a, to preclude any possibility of voiding collection action after six years from the last date of the period of dual compensation.

Name of debtor

Address of debtor

Date of birth

Period of dual compensation

Amount of debt

Agencies involved:

Remarks:

Signed
Title
Reporting Agency

1st Indorsement to Reporting Agency

The General Accounting Office hereby acknowledges receipt, for collection, of the report of indebtedness of the above-named debtor. Consistent with the provisions of Chapter 9, Title 4 of the GAO Manual, this Office discharges its responsibilities for the recovery of amounts due the United States by utilizing the collection facilities of the various agencies to the maximum extent whenever such use seems to be in the interest of efficiency and economy. Therefore, you are requested to take appropriate collection action and to return the case here only if your collection efforts are unsuccessful. A copy of this form must be returned when and if this debt is reported to this Office as uncollectible.

Signed
Title
U.S. General Accounting Office

Date

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CHAPTER 12--DAMAGE TO OR LOSS OF GOVERNMENT
PROPERTY DUE TO TORTIOUS ACTS--DEBT PROCEDURES

SECTION 82--SCOPE AND PURPOSE OF CHAPTER

82.1 SCOPE

This chapter relates to claims by the United States which arise out of damage to or loss of Government property due to tortious acts, including negligently operating privately owned vehicles and trespassing on Government lands, buildings, or projects. The procedures prescribed in this chapter do not apply to:

(1) Claims involving damage to Government property by carriers or other damage arising out of the transportation of property for the account of the United States. Such claims will be handled in accordance with chapter 13 of this title.

(2) Claims involving accountability for the loss of public property entrusted to officers and agents of the Government within the meaning of the act of March 29, 1894, as amended, 31 U.S.C. 89, 90. (See 4 GAO 95.)

(3) Reports of survey pertaining to the loss, spoilage, destruction of, or damage to property of the United States under the control of the Department of the Army as contemplated by the act of October 30, 1941, as amended, 10 U.S.C. 4835, and reports of survey pertaining to the loss, spoilage, destruction of, or damage to property of the United States under the control of the Department of the Air Force as contemplated by the act of October 11, 1951, 10 U.S.C. 9835.

(4) Any similar claims the disposition of which is governed by statute.

82.2 PURPOSE

The purpose of this chapter is to provide

(1) for the referral by administrative agencies of certain debts, which arise out of tortious acts, directly to the Department of Justice (either to the Washington Office or to the United States attorneys when authorized by that Department) and

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(2) for the removal of tort debts from the accounts receivable of administrative agencies when collection action is discontinued.

SECTION 83--REFERRING DEBT CLAIMS WHICH
ARISE OUT OF TORTIOUS ACTS DIRECTLY
TO DEPARTMENT OF JUSTICE

83.1 DIRECT REFERRAL OF TORT DEBTS TO DEPARTMENT OF JUSTICE

Except as provided herein, administratively uncollectible debt claims within the scope of this chapter should be referred directly to the Department of Justice (either to the Washington Office or to the U.S. attorneys when authorized by that Department).

Tort claims within the scope of this chapter will not be reported to the Claims Division.

83.2 EXCEPTIONS

The debt matter need not be reported to the Department of Justice if it is administratively determined that criminal action is not warranted when

- (1) the amount of the debt is less than \$600, or
- (2) the record clearly shows the debtor is unable to pay, or
- (3) the debtor cannot be located.

83.3 CONTENT OF REPORTS TO DEPARTMENT OF JUSTICE OR
UNITED STATES ATTORNEYS

Reports of cases referred to the Department of Justice or the U.S. attorneys in accordance with subsection 83.1 above shall conform in all respects with 4 CFR 105 and, to the extent appropriate, will be supported by:

- (1) All pertinent evidence available.
- (2) The names and locations of the parties in interest.
- (3) The names and locations of any parties who may have knowledge of the facts.

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(4) The name and address of the insurance company involved, if any.

(5) Evidence of financial ability to pay for the damage if judgment is obtained, if the party or parties against whom claim is being asserted are not insured.

SECTION 84--REMOVAL OF TORT DEBTS FROM
ACCOUNTS RECEIVABLE OF
ADMINISTRATIVE AGENCIES

The administrative agencies will remove debts which are within the scope of this chapter from their accounts receivable when

(1) cases are closed by the Department of Justice or the U.S. attorneys for any reason and without regard to whether collection has been accomplished, or

(2) it is administratively determined that collection action should be discontinued on cases which are not required to be reported to the Department of Justice or the U.S. attorneys in accordance with 4 GAO 83.2.

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CHAPTER 13--CLAIMS BY THE UNITED STATES RELATING TO
LOSS OF OR DAMAGE TO SHIPMENTS

SECTION 85--TIME LIMITATION FOR REFERRING CLAIMS

85.1 ONE-YEAR LIMITATION

A 1-year limitation applies on court actions against ocean carriers for loss of or damage to shipments. See 46 U.S.C. 1301, 1303(6).

85.2 TWO-YEAR LIMITATION

A 2-year limitation applies on court actions against air carriers for loss of or damage to international shipments. (See article 29 of the Warsaw Convention--49 Stat. 3000.) Written notice of damage must be furnished carriers within 7 days from the date of receipt in the case of baggage and within 14 days from the date of receipt in the case of cargo (or 21 days for delayed shipments). Failure to comply in the time specified for notification of damage precludes action against the carrier to recover damage claims. (See article 26 of the Warsaw Convention.)

Where the Warsaw Convention is not controlling, written notice of loss or damage must be given the carriers within the period prescribed in international air tariffs.

SECTION 86--LOSS AND DAMAGE DEBTS DETERMINED BY
ADMINISTRATIVE AGENCIES TO BE DUE
THE UNITED STATES86.1 SPECIAL COLLECTION PROCEDURE FOR LOSS OR DAMAGE DEBTS
RELATING TO INTERNATIONAL SHIPMENTS BY OCEAN AND
INTERNATIONAL AIR CARRIERS

When a loss or damage, for which the carrier is administratively determined to be liable, has occurred on an international ocean or air shipment, effort should be made to withhold an amount sufficient to reimburse the Government for the loss or damage from the carrier's bill covering charges for the transportation or related services on the same shipment. If this is not possible, the withholding should be made from a payment due the carrier on an unrelated account. Notice of such withholding to the carrier should request the carrier's consent to the action; if such consent is not given, or the indebtedness is not otherwise compromised or withdrawn pursuant to section 68, the matter should be referred to the Department of Justice at least 90 days

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before the expiration of the 2-year period in article 29 of the Warsaw Convention, 49 Stat. 3000, concerning international air carriers, or the 1-year period in 46 U.S.C. 1303(6) (Carriage of Goods by Sea Act), concerning ocean carriers in foreign commerce. Such referral is necessary in order that the Department may have time to consider the need for suit to reduce the Government's claim to judgement.

86.2 DEBTS DETERMINED TO BE ADMINISTRATIVELY UNCOLLECTIBLE

Loss and damage claims by the United States which cannot be collected, compromised, suspended, or terminated in accordance with 4 CFR 102, 103, and 104 should be determined uncollectible and reported to the General Accounting Office or the Department of Justice for appropriate action. The Claims Division at its option, may return any claim referred to it by the administrative agency, for lack of compliance with the provisions of 4 CFR 101-105, or the guidelines herein.

Administrative agencies will cease collection action when reporting loss and damage claims to the Claims Division. If an agency has placed the name of a carrier debtor on the Hold-up List of the Department of the Army, the agency will inform the Army Finance and Accounting Center that the debt has been referred to the General Accounting Office.

86.3 DEBTS REQUIRED TO BE REPORTED TO THE CLAIMS DIVISION

(1) Every uncollected debt for which notice is received that a debtor is involved in bankruptcy, insolvency, or reorganization proceedings should be forwarded immediately to the Claims Division, except that when a letter has been received from the General Accounting Office, any special instructions contained in that letter should be observed.

(2) Uncollectible debts in excess of \$20,000 should be forwarded to the Claims Division, unless, because of time limitation, it is necessary to refer such debts directly to the Department of Justice for court action.

(3) Debts over \$600 which cannot be collected, compromised, terminated or suspended in accordance with the provisions of 4 CFR 101-105.

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86.4 DEBTS THAT MAY BE REPORTED TO THE CLAIMS DIVISION

The following debt situations may be reported to the Claims Division.

(1) When a written offer to compromise a debt is received and the administrative agency is uncertain whether the debt is subject to compromise, or if so subject, whether the amount offered represents satisfactory reimbursement to the Government. (See 4 CFR 103.8.)

(2) When the administrative agency's collection action is unsuccessful or when it appears that the cost of further collection action will exceed the amount recoverable and the agency has doubt whether collection action should be suspended or terminated. (See 4 CFR 104.4.)

SECTION 87--DEPOSIT OF COLLECTIONS MADE BY
THE GENERAL ACCOUNTING OFFICE

Collections on account of the loss of or damage to military or naval material in transit for account of the Departments of the Army, Navy, or Air Force will be credited to the appropriation or fund account out of which such or similar material may be replaced. (See Public Law 617, 84th Congress, 31 U.S.C. 489a.)

Collections on account of loss or damage to material shipped for the account of other Government agencies will be credited to miscellaneous receipts, except where specific authority of law exists which requires credit to a specific fund and the agency has furnished appropriate reference to such fund in its transmittal of the debt to the General Accounting Office.

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CHAPTER 14--DEBTS ARISING OUT OF IRREGULARITIES
AND DISCREPANCIES

SECTION 88--SCOPE AND PURPOSE OF CHAPTER

88.1 SCOPE

This chapter deals with debt claims by the United States which arise out of irregularities and discrepancies, except (1) claims against accountable officers of the United States whose accounts are required by statute to be rendered to and settled by the General Accounting Office and (2) claims relating to freight and passenger transportation services, furnished for the account of the United States, which are within the scope of 4 CFR 30.1(b).

88.2 PURPOSE

The purposes of this chapter are (1) to prescribe procedures relating to the collection of debts which arise out of irregularities and discrepancies and (2) to distinguish between reporting the occurrence of irregularities and discrepancies for consideration by the General Accounting Office in connection with its accounting, auditing, and investigative functions, and reporting administratively uncollectible debts which arise out of irregularities and discrepancies, for collection action by the Claims Division.

SECTION 89--DEFINITION

The debts considered in this chapter arise out of irregularities and discrepancies which include, but are not limited to, losses of public funds or property due to embezzlement, theft, or other serious wrongdoing by present or former officers and employees of the Government and others; shortages in the accounts of persons accountable to the United States for money or property who do not render accounts to the General Accounting Office for settlement (see subsection 88.1 above); and the submission of false claims against the United States.

SECTION 90--APPLICABILITY OF PRINCIPLES

The principles prescribed in 4 GAO 69 are generally applicable to debts arising out of irregularities and discrepancies, it being emphasized that timely collection efforts are desirable. The principles do not apply, however, to certain debt claims which involve the presentation of false claims against the United States. (See section 94.)

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SECTION 91--ADMINISTRATIVE RESPONSIBILITY
FOR COLLECTING DEBTS

Administrative agencies are generally responsible for taking the same aggressive administrative action to collect debts determined by them to be due the United States which arise out of irregularities and discrepancies as they take for other debts arising out of their activities. However, when debts involve the submission of false claims against the United States and the time has not expired within which suits for forfeiture and damages might be prosecuted under the false claims statute, the debts should be reported promptly to the Department of Justice or to the Claims Division, as provided in section 94 of this chapter, without taking administrative action to collect them.

SECTION 92--REPORTING ADMINISTRATIVELY
UNCOLLECTIBLE DEBTS TO GENERAL
ACCOUNTING OFFICE92.1 WHEN TO REPORT ADMINISTRATIVELY UNCOLLECTIBLE
DEBTS

Except as otherwise provided in 4 GAO 70.1 and 70.2 and 4 GAO 94, debts arising out of irregularities and discrepancies will be reported to the Claims Division for further collection action upon determination by the administrative agencies that they are uncollectible through means available to the agencies. The debts should be submitted to:

Claims Division
U.S. General Accounting Office
Washington, D.C. 20548.

Administrative agencies should make no reports to the Claims Division when debts arising out of irregularities and discrepancies have been collected in full by them or when they are unable to identify persons responsible for losses sustained by the United States.

92.2 FORM AND CONTENT OF ADMINISTRATIVE REPORTS

Except in the case of property accountability referred to in section 95 of this chapter, each uncollectible debt arising out of an irregularity or discrepancy to be forwarded to the Claims Division for further collection action should be the subject of a separate report which should contain:

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(1) The debtor's full name, social security number, and current address.

(2) The debtor's present employment status.

(3) The debtor's service, serial, or other identifying number if the debt arose as a result of service in the Armed Forces.

(4) A certified copy of the bond on file with the Section of Surety Bonds, Bureau of Accounts, Department of the Treasury, if the debtor was bonded.

(5) A statement showing whether the debtor has deposit to his credit in the Civil Service Retirement and Disability Fund.

(6) A copy of the findings or investigation report, if the indebtedness resulted from the findings of a board of survey or a report of investigation.

(7) A statement showing whether the matter was referred to the Department of Justice to be considered for instituting criminal proceedings and what action was taken.

(8) A complete statement of the facts and computations on the basis of which the debt was administratively determined.

(9) Reasonably current credit information.

(10) A complete citation to all contracts, vouchers, and checks involved, together with

(a) copies of any available correspondence between the debtor and the administrative office, when the debtor has requested an explanation or questioned his liability or the amount of the debt,

(b) copies of any available correspondence from the debtor admitting liability,

(c) copies of the documents necessary to establish the Government's position on issues raised by the debtor when he has disputed or continues to dispute a material fact or facts after detailed explanation to him; and

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(d) a statement of the sources of information contacted and the results of the contacts when the administrative office has been unable to locate the debtor.

(11) When the debtor is known to be currently employed by the Government or serving in the uniformed services, a statement showing what action was taken to recover the amount through the agency in which employed or serving.

SECTION 93--DOUBTFUL DEBT CLAIMS
ARISING OUT OF IRREGULARITIES
AND DISCREPANCIES

93.1 REPORTING DOUBTFUL DEBT CLAIMS TO GENERAL ACCOUNTING
OFFICE

Except when questions are involved which require a decision by the Comptroller General, any debt claim arising out of an irregularity or discrepancy in which doubt exists as to the amount involved or liability of the parties should be reported immediately to the Claims Division for adjudication. The Claims Division will adjudicate the claim and return it with its findings and conclusions, unless the report states that the claim has been determined administratively uncollectible at the time of reporting. Reports in all doubtful cases should be forwarded to:

Claims Division
U.S. General Accounting Office
Washington, D.C. 20548.

The reporting agency will be notified in any case when it is determined there is no debt.

See subsection 94.4 below for reporting cases to the Claims Division when doubt exists as to the applicability of the false claims statute.

SECTION 94--FALSE CLAIMS AGAINST THE
UNITED STATES

94.1 LIABILITY OF PERSONS MAKING FALSE CLAIMS

Under 31 U.S.C. 231-233 and 235, any person not in the military or naval forces of the United States, nor in the militia called into or actually employed in the service of the United States, who makes or presents a claim against the

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Government of the United States, knowing such claim to be false, fictitious, or fraudulent, shall forfeit and pay to the United States the sum of \$2,000, and, in addition, double the amount of damages which the United States may have sustained by reason of doing or committing such act, together with the costs of suit; such forfeiture and damages shall be sued for in the same suit.

94.2 STATUTORY PERIOD WITHIN WHICH SUIT MUST BE COMMENCED

Every suit under the false claims statute must be commenced within 6 years after commission of the act, and not afterward (31 U.S.C. 235). It is emphasized that the protection of the interests of the United States requires timely action on all cases in which the provisions of the false claims statute might be applicable.

94.3 HANDLING OF CLAIMS UNDER THIS SECTION

When an administrative agency refers any case to the Department of Justice for possible criminal prosecution of the claimant for fraud or possible civil suit for fraud arising from claim irregularities involving the presentation of a false claim, such agency should not seek to effect collection of the claim and should defer action on all other claims submitted by the debtor, even though they appear unrelated to the false claims matter. Any amounts voluntarily remitted by the debtor and any amounts otherwise due the debtor should be retained by the administrative agency but not applied against the indebtedness pending receipt of advice from the Department of Justice. The debt report to the Department of Justice should include information as to all amounts remitted by the debtor or available for setoff purposes. Debt claims referred to the Department of Justice in accordance with this subsection should not be reported to the Claims Division. Unless the agency is otherwise advised by the Department of Justice, claims which are not finally disposed of as a result of referral to the Department of Justice under this subsection should be processed by the agency in accordance with the debt-collection regulations and procedures established pursuant to the Federal Claims Collection Act of 1966, 31 U.S.C. 951-953.

If an agency doubts whether the false claims statute applies, advice should be requested from the Department of Justice; if other questions of law or fact are unresolved, such claim should be reported to the Claims Division. These claims should be accompanied by a complete statement by the

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agency's legal staff of the doubtful questions involved and should be accompanied by any amounts received on the debt and all vouchers and/or checks covering any amounts due the debtor.

SECTION 95--REPORTING PROPERTY ACCOUNTABILITY DEBTS
TO GENERAL ACCOUNTING OFFICE

Subject to the exceptions provided in 4 GAO 70.1 and 70.2, administratively uncollectible debts involving accountability for property should be reported in the form of a certification as required by the Act of March 29, 1894, as amended, 31 U.S.C. 89, 90. The reports should be forwarded to:

Claims Division
U.S. General Accounting Office
Washington, D.C. 20548

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CHAPTER 15--DEBTORS INVOLVED
IN BANKRUPTCY PROCEEDINGS

SECTION 96--SCOPE AND PURPOSE OF CHAPTER

96.1 SCOPE

This chapter concerns claims by the United States against debtors involved in bankruptcy proceedings, except for debt claims arising out of freight and passenger transportation services furnished for the account of the United States.

96.2 PURPOSE

The purpose of this chapter is to provide

(1) for direct referral by administrative departments and agencies of debts to the Department of Justice (either to the Washington office or to the U.S. attorneys when authorized by that Department) when the debtors are involved in bankruptcy proceedings and

(2) for removal of bankruptcy debts from the accounts receivable of the administrative departments and agencies when collection actions have been completed.

SECTION 97--ADMINISTRATIVE RESPONSIBILITY
FOR COLLECTING DEBTS

Upon receiving information that a debtor is involved in bankruptcy proceedings, the administrative department or agency concerned shall:

(1) Set off any amounts due the debtor which were earned before the date the petition in bankruptcy was filed and which are available for application to the debt. Any amount in excess of that required to satisfy known Government debts should be paid to the receiver, trustee, assignee, etc., as appropriate.

(2) Forward notice of the bankruptcy proceedings to the General Accounting Office at once if the debt was previously reported to this Office.

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(3) Transmit the notice and a report of the debt to the General Accounting Office promptly, if, after complete development of all the facts and circumstances, there exists a doubtful question of law or fact concerning the amount of the debt, the liability of the debtor, or entitlement to any amounts payable. (Cases should not be reported as doubtful upon receipt of bankruptcy notice merely because all factors which may have a bearing on the final liability of the bankrupt can not be immediately ascertained.)

(4) Take steps to assure that amounts earned by the debtor after the date of filing the petition for bankruptcy are or will be paid to the receiver, trustee, assignee, etc., as appropriate.

(5) Take action to ascertain whether there appear to be assets for distribution to creditors. If the information of record does not disclose whether there will be assets for distribution, an inquiry should be addressed to the clerk of the appropriate court to ascertain the amount of assets and liabilities of the bankrupt.

(6) Prepare proof of claim, with necessary documentation, as appropriate, for referral to the Department of Justice when proper. (See section 98 below.)

SECTION 98--REFERRAL OF DEBTS TO THE DEPARTMENT OF JUSTICE

Debt claims involving bankruptcies (other than those covered in section 97(2) and (3) above) will be referred directly to the Department of Justice (either to the Washington office, or to the U.S. attorneys when authorized by that Department) except that:

(1) Generally, debts of less than \$600 will not be referred to the Department of Justice. However, a series of smaller debts involving the same debtor and aggregating \$600 or more should be referred with attending proof of claim. Also, if the facts and circumstances in a particular case warrant filing a proof of claim (e.g., if petition is filed under chapters X, XI, or XIII of the Bankruptcy Act), debts of lesser amounts may be referred to that Department.

(2) When the information of record indicates that there will be no assets for distribution to creditors at the present level of Government claims, the debt should not be referred.

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Debt claims not referred under (1) or (2) above to the Department of Justice need not be reported to the Claims Division.

SECTION 99--CONTENT OF REPORT TO THE
DEPARTMENT OF JUSTICE

When a debtor is involved in bankruptcy proceedings and the claim is referred directly to that Department, the report will include:

- (1) The court in which the petition was filed and the case number, if known.
- (2) A complete statement of the debt, including its basis.
- (3) The section or chapter of the Bankruptcy Act under which the petition was filed.
- (4) If the time for filing claims is about to expire and the amount of the claim has not been definitely determined, contingent proof of claim should be forwarded to the Department of Justice, to be followed as soon as possible by a final proof of claim.
- (5) When a debt claim is founded upon an instrument in writing, the Bankruptcy Act requires that the instrument be filed with the final proof of claim. (Certified copies of documents are acceptable to the courts. See Rules of Civil Procedure for the U.S. District Courts, rule 44. 28 U.S.C.)

SECTION 100--REMOVAL OF DEBTS FROM THE
ACCOUNTS RECEIVABLE OF
ADMINISTRATIVE AGENCIES

Debts within the scope of this chapter may be removed from the accounts receivable of the administrative agencies when collection actions by the Department of Justice have been completed or when referring the debts to the Department of Justice has been determined to be inappropriate.

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CHAPTER 16--WAIVER OF CLAIMS FOR ERRONEOUS
PAYMENTS OF PAY AND CERTAIN ALLOWANCES--
GENERAL POLICIES AND PROCEDURES

SECTION 101--SCOPE AND PURPOSE OF CHAPTER

101.1 SCOPE

This chapter concerns applications for waiver of claims of the United States arising out of erroneous payments of pay and certain allowances made to or on behalf of certain employees of the United States or to or on behalf of members of the uniformed services. Authority for waiver is provided by 5 U.S.C. 5584, 10 U.S.C. 2774, and 32 U.S.C. 716 and the standards for waiver promulgated thereunder (4 CFR 91-93).

101.2 PURPOSE

The purposes of this chapter are to

- (1) outline agencies' authority to take action on certain types of waiver applications,
- (2) provide guidance for preparing the administrative reports required by 4 CFR 92.2,
- (3) outline the procedures for processing appeals of waiver determinations, and
- (4) set forth a proposed format for waiver registers and reports of waiver actions to the Comptroller General.

SECTION 102--AUTHORITY OF AGENCIES TO TAKE ACTION ON CERTAIN
TYPES OF WAIVER APPLICATIONS WITHOUT REFERRAL TO
THE COMPTROLLER GENERAL

102.1 APPLICATIONS CLEARLY TIME-BARRED

Generally, applications for waiver must be received either in the office of the head of the agency concerned or in the General Accounting Office within 3 years from the date of discovery of the erroneous payment. (See subsection 103.4.) If an application is received after the expiration of that statutory period, the head of the agency shall advise the applicant that no action may be taken because his application is time-barred. Such notice to the applicant shall include the applicable statutory provision, the date of discovery of the erroneous payment, and the date of receipt of the application for

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waiver. Cases of doubt as to the application of the statutory time limit should be forwarded to the Comptroller General for resolution.

102.2 CLAIMS INVOLVING TRAVEL AND TRANSPORTATION

Applications for waiver of claims for erroneous payments of travel and transportation allowances or reimbursement of relocation expenses under 5 U.S.C. 5724a need not be referred to the Comptroller General, regardless of amount. Instead, the head of the agency or his designee shall notify the applicant that the waiver statute and the standards for waiver codified in 4 CFR 91-93 do not authorize waiver of such claims.

102.3 CLAIMS NOT INVOLVING ERRONEOUS PAYMENTS
OF PAY AND ALLOWANCES

Generally, waiver authority only extends to payments of pay and/or allowances which were erroneous when made. In those cases where an application concerns a debt which clearly does not fall within that authority, the head of the agency or his designee may advise the applicant that the application may not be considered because the debt does not arise out of payment which was erroneous when it was made. Thus, if a member or employee is indebted to the United States because of loss of, or damage to, Government property, the applicant should be advised that the claim could not be considered for waiver because it does not fit the stated criteria.

As indicated by the following examples, care must be exercised in applying this rule:

Example 1. The failure to collect a debt may in itself generate an erroneous payment of pay which would be proper for waiver consideration. If a service member receives a payment of reenlistment bonus, a payment which was valid when made, and is later discharged prior to completion of his enlistment, a claim by the United States arises for recoupment of the unearned portion of the reenlistment bonus. If, however, that member received a final payment of pay and allowances which should have been set off against the claim for the unearned reenlistment bonus, that final payment, to the extent to which it could have been used for setoff, but was not, becomes an erroneous payment which may be considered for waiver upon proper application.

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Example 2. A payment which was valid when made may become erroneous back to the initial payment because of later-occurring circumstances. When an employee is separated from Federal employment with entitlement to severance pay and later applies for and is granted a disability retirement which is effective as of the date of separation, the payments of severance pay are thereby rendered erroneous and subject to waiver consideration. This example would only apply when the payment is deemed to be erroneous back to the beginning.

102.4 CLAIMS GREATER THAN \$500

The waiver statutes require that waiver requests be considered by the Comptroller General when the claim exceeds \$500. Agencies cannot consider for waiver any claim exceeding \$500 but must forward it to the General Accounting Office for determination. In determining whether a claim aggregates in excess of \$500, agencies may exclude any portion of the claim that is clearly not subject to waiver, as provided in subsections 102.1, 102.2, and 102.3.

102.5 APPLICATION OF WAIVER STANDARDS WHEN DOUBT EXISTS

When doubt exists concerning whether waiver action is proper, the claim may be referred to the General Accounting Office, regardless of amount.

102.6 DELEGATION OF WAIVER AUTHORITY

The waiver statutes specifically vest authority to make determinations thereunder, in the head of an agency or the secretary concerned. While such authority may be delegated, it should not be delegated to disbursing and certifying officers who are responsible under law for making payments. In addition, disbursing and certifying officers should not withhold collection efforts on a debt resulting from erroneous payments because of the probability that waiver may be requested and subsequently granted. However, if the Government's interests are adequately protected, it would be permissible to temporarily suspend collection action pending resolution of a waiver request.

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SECTION 103--GUIDANCE FOR PREPARATION OF ADMINISTRATIVE REPORTS

103.1 GENERALLY

Except as provided in subsection 103.2 of this Manual, administrative reports should contain all of the information required by section 92.2 of title 4, Code of Federal Regulations. The purpose of the following subsections is to provide additional guidance for the preparation of administrative reports.

103.2 CERTAIN INFORMATION NO LONGER DEEMED NECESSARY

Section 92.3(b)(1) of title 4, Code of Federal Regulations, states that the administrative report should include citations to the voucher(s) on which an erroneous payment was made. Since these citations may not be necessary for the proper adjudication of an application for waiver, they may be omitted unless specifically requested by the General Accounting Office. These citations, however, should be supplied when uncollectible debts are forwarded to the General Accounting Office for collection under the provisions of the Federal Claims Collection Act of 1966, codified in 31 U.S.C. 951-953.

103.3 STATEMENT OF THE CIRCUMSTANCES UNDER WHICH AN ERRONEOUS PAYMENT AROSE AND AGENCIES' RECOMMENDATION FOR WAIVER DETERMINATION

Administrative reports should include a statement of the circumstances under which an erroneous payment occurred (4 CFR 92.2(b)(2)). This statement should consist of a chronological summary of the events in the particular case, supported by copies of pertinent personnel action forms, military orders, leave and earnings statements, statements of applicant, statements of witnesses, etc. The report should also include a statement as to whether there is any indication of fault, misrepresentation, or lack of good faith on the part of the employee, member, or other interested person, and a recommendation on whether the request for waiver should be granted or denied. If doubt exists regarding the determination, the areas of doubt should be set out in the administrative report.

103.4 LEAVE AND EARNINGS STATEMENTS

Proper action on an application for waiver often hinges upon the information provided to the recipient of the

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erroneous payments during the period when the overpayments occurred. Usually, the best source of information is the leave and earnings statement issued to the recipient. In some cases, the leave and earnings statements for the pay periods immediately preceding the first erroneous payment will establish whether or not the recipient knew or should have known that he was being erroneously paid. Copies of all pertinent leave and earnings statements should be included in the administrative report.

103.5 IMPORTANCE OF RECORDING DATE OF DISCOVERY

The date of discovery of an erroneous payment is that date on which it is definitely determined by an appropriate official that an erroneous payment has been made, and is the date from which the statutory limitations, referred to in subsection 102.1 of this chapter, are computed. This date is not to be confused with the date on which the recipient is notified of the erroneous payment. If the date of discovery cannot be accurately determined, the reporting official shall so state in his report, and shall set forth that date which, in his judgment, bearing in mind that any doubt is to be resolved in favor of the applicant, is most likely to be the date of discovery.

103.6 IMPORTANCE OF DATE OF NOTICE OF OVERPAYMENT

When an applicant for waiver has received notice of a continuing erroneous payment, and continues to receive that erroneous payment for one or more pay periods after date of notice, waiver of the amounts received after date of notice is rarely appropriate. The reporting official should in such instances determine as accurately as possible the amounts erroneously paid before and after the date of notice to the recipient and should include those amounts in his report.

103.7 IMPORTANCE OF CLARITY OF REPRODUCED COPIES

The adjudication of applications for waiver is based primarily on the written record. Therefore, copies of important documents included in administrative reports must be legible. If satisfactory reproductions cannot be obtained, the reporting official should furnish file copies of documents, along with a notation that the documents should be returned when they have served their purpose.

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SECTION 104--APPEALS OF ACTIONS TAKEN BY AGENCIES

When an applicant files notice with an agency that he disagrees with the action taken by the agency on his application for waiver, the agency shall reopen the matter and determine whether new information has been presented which would cause the agency to reverse its original action. If such information is presented, and if the agency reverses its position in whole or in part, the agency shall notify the applicant of its new determination. If an agency, upon reconsideration, believes its original action to have been proper, it shall set forth in writing why its original action is believed proper and shall forward the administrative report, its final action, and the appeal to the Comptroller General.

SECTION 105--WAIVER REGISTER AND ANNUAL
REPORT OF WAIVER ACTIONS

105.1 WAIVER REGISTER--MINIMUM INFORMATION REQUIRED

Exhibit A sets forth the minimum information to be included in the waiver register, required by 4 CFR 92.7(a). Agencies may, at their discretion, expand upon the format provided.

105.2 ANNUAL REPORT TO THE COMPTROLLER GENERAL--RECOMMENDED
FORMAT

Exhibit B sets forth a recommended format for reports of waiver actions to the Comptroller General required by the implementing statutes and by 4 CFR 92.7(b).

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EXHIBIT A

WAIVER REGISTER

<u>NAME</u>	<u>SSN</u>	<u>AMOUNT OF CLAIM</u>	<u>DATE DEBT DISCOVERED</u>	<u>DATE OF APPLICATION</u>	<u>DATE OF WAIVER ACTION</u>	<u>AMOUNT WAIVED</u>	<u>AMOUNT DENIED</u>	<u>AMOUNT REFUNDED TO APPLICANT</u>
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EXHIBIT B

CLAIMS

Report of Waiver Actions

To: The Comptroller General

From: (Agency)
(Address)

	Number	Dollar Value	
Waived in full by agency	_____	_____	
Denied in full by agency	_____	_____	
Waived in part and denied in part	_____	_____	(waived) (denied)
Agency determined appli- cation not for consideration (See 4 GAO 102.1-102.3.)	_____	_____	
Cases referred to GAO	_____	_____	

Amount refunded as result of waiver action by agency: \$ _____

Amount refunded as result of waiver action by GAO: \$ _____

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Standard Form 1055 (Front)

Standard Form No. 1055
4 GAO 3500
1055-104CLAIM AGAINST THE UNITED STATES
FOR
AMOUNTS DUE IN THE CASE OF A DECEASED CREDITOR

1. I/we, the undersigned, hereby make claim as for amounts due from the
(Relationship)
United States in the case of who died on the day
(Name of decedent)
of, 19....., while domiciled in the State of

2. The basis of this claim is as follows:
.....
(State nature of claim, amount, name and location of Department or Agency involved)

3. Has there been or will there be appointed an executor or administrator of the decedent's estate?
..... ("Yes" or "No.") If the answer is "Yes," the following statement should be completed:

I/we have been duly appointed of the estate of the deceased, as evidenced
(Executor or Administrator)
by certificate of appointment herewith, administration having been taken out in the interest of:

.....
(Name, address, and relationship of interested relative or creditor)
and such appointment is still in full force and effect.
(If making claim as the executor or administrator of the estate of the deceased, no witnesses are
required, but a short certificate of letters testamentary or of administration must be submitted.)
(If you are the executor or administrator of the estate of the deceased, disregard paragraphs 4, 5,
and 6.)

4. If an executor or administrator has not been or will not be appointed, the following information
should be furnished: The deceased is survived by—

Name

Widow or widower (if none, so state):

Children (if none, so state):

Name

Age (if under 21)

Street Address, City, and State

.....
.....
.....

Grandchildren (list only the children of deceased children—if none, so state):

Name

Age (if under 21)

Street Address, City, and State

Name of deceased parent of grandchild

.....
.....
.....
.....

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Standard Form 1055 (Back)

If no child or grandchild survives, enter below the following:

Name

Street Address, City, and State

Father (if deceased, so state):

Mother (if deceased, so state):

Brothers and sisters (if none, so state):

Name

Age (if under 21)

Street Address, City, and State

Nephews and nieces (list only the children of deceased brothers or sisters—if none, so state):

Name

Age (if under 21)

Street Address, City, and State

Name of deceased parent of nephew or niece

5. Have the funeral expenses been paid? ("Yes" or "No.") (If paid, receipted bill of the undertaker must be attached hereto.)

6. Whose money was used to pay the funeral expenses?
(If funeral expenses were paid from the proceeds of an insurance policy, state the name of the beneficiary of such policy.)

FINES, PENALTIES, and FORFEITURES are imposed by law for making of false or fraudulent claims against the United States or the making of false statements in connection therewith.

(Signature of claimant)

(Date)

(Signature of claimant)

(Date)

(Street address)

(Street address)

(City)

(State)

(City)

(State)

TWO WITNESSES ARE REQUIRED

We certify that we are well acquainted with the above
(Name of claimant(s))
and that the signature(s) of the claimant(s) was (were) affixed in our presence.

(Signature of witness)

(Signature of witness)

(Street address)

(Street address)

(City)

(State)

(City)

(State)

All unnegotiated Government checks in possession of the claimant, drawn to the order of the decedent and involved in the claim, shall accompany the claim application.

U. S. GOVERNMENT PRINTING OFFICE : 1956—O-475490

GPO 939706

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Standard Form 1093

Standard Form 1093
September 1967
Title 4, GAO Manual
1093-104SCHEDULE OF WITHHOLDINGS UNDER THE DAVIS-BACON ACT (40 U.S.C. 276a)
AND/OR
THE CONTRACT WORK HOURS STANDARDS ACT (40 U.S.C. 327-332)TO THE U. S. GENERAL ACCOUNTING OFFICE
CLAIMS DIVISION
WASHINGTON, D.C. 20548Contractor or subcontractor charged
with violations

Prime contractor

Contract No., (Date)

Report concerning irregularities transmitted to—
....., (Date)

Deducted from amounts otherwise due the contractor, for deposit to the account "05X6022," covering wages due the employees whose names, social security numbers and current addresses are listed on the attached schedule, are withholdings pursuant to the following laws:

Davis-Bacon Act \$

Contract Work Hours Standards Act \$

Total \$

Forwarded herewith is check No., dated

for \$

.....
(Disbursing officer or other administrative official)

* U.S. GOVERNMENT PRINTING OFFICE : 1970 OF—300-488 (2001)

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Standard Form 1152 (Front)

Standard Form 1152 September 1967 Title 4, GAO Manual 1152-106	DESIGNATION OF BENEFICIARY UNPAID COMPENSATION OF DECEASED CIVILIAN EMPLOYEE	IMPORTANT Read instructions on back of duplicate before filling in this form	
INFORMATION CONCERNING THE EMPLOYEE:			
NAME— (Last) (First) (Middle)		DATE OF BIRTH (Month, day, year)	
DEPARTMENT OR AGENCY IN WHICH EMPLOYED			
(Department or agency) (Bureau) (Division)			
<p><i>I, the employee named above, canceling any and all previous Designations of Beneficiary heretofore made by me, do now designate the beneficiary or beneficiaries named below to receive any UNPAID COMPENSATION due and payable after my death. I understand that this Designation of Beneficiary relates solely to money due as defined in 5 U.S.C. 5581, 5582, 5583, and in no wise will affect the disposition of any benefit which may become payable under the Retirement or Group Life Insurance Acts applicable to my Government service. I further understand that this Designation of Beneficiary will remain in full force and effect until (1) expressly changed or revoked by me in writing, (2) I transfer to another agency, or (3) I am reemployed by the same or another department or agency of the Government.</i></p>			
INFORMATION CONCERNING THE BENEFICIARY OR BENEFICIARIES:			
Type or print first name, middle initial, and last name of each beneficiary	Type or print address (including ZIP Code) of each beneficiary	Relationship	Share to be paid to each beneficiary
<p><i>I hereby direct, unless otherwise indicated above, that, if more than one beneficiary is named, the share of any deceased beneficiary who may predecease me shall be distributed equally among the surviving beneficiaries, or entirely to the survivor. I understand that this Designation of Beneficiary shall be void if none of the designated beneficiaries is living at the time of my death.</i></p> <p><i>I hereby specifically reserve the right to cancel or change any designation of beneficiary at any time in the manner and form prescribed by the Comptroller General of the United States, and without knowledge or consent of the beneficiary.</i></p>			
(Date of execution—month, day, year)		(Signature of employee)	
WITNESSES TO SIGNATURE:			
(Signature of Witness)		(Number and street) (City, State, and ZIP Code)	
(Signature of Witness)		(Number and street) (City, State, and ZIP Code)	
PRINT OR TYPE NAME AND ADDRESS (INCLUDING ZIP CODE) OF EMPLOYEE		THIS SPACE RESERVED FOR RECEIVING DATA OF EMPLOYING AGENCY	
<div style="border: 1px solid black; width: 100%; height: 100%;"></div>		<div style="border: 1px solid black; width: 100%; height: 100%;"></div>	
(Indicate date and by whom received)		(Indicate date and by whom received)	
DELIVER BOTH COPIES TO THE PROPER OFFICER OF YOUR AGENCY—DUPLICATE WILL BE NOTED AND RETURNED			

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Standard Form 1152 (Back)

IMPORTANT—The filing of this form will completely cancel any designation you may have previously filed. Be sure to name in this form all persons you wish to designate as beneficiaries of any unpaid compensation payable at your death.

EXAMPLES OF DESIGNATIONS

How To DESIGNATE ONE BENEFICIARY

Type or print first name, middle initial, and last name of each beneficiary	Type or print address (including ZIP Code) of each beneficiary	Relationship	Share to be paid to each beneficiary
Catherine M. Jackson*	2808 Southern Avenue Williams, Indiana 46728	Sister	All

How To DESIGNATE MORE THAN ONE BENEFICIARY

Type or print first name, middle initial, and last name of each beneficiary	Type or print address (including ZIP Code) of each beneficiary	Relationship	Share to be paid to each beneficiary
Susan L. Brown**	110 Prince Street Anniston, New York 14607	Aunt	One-fourth
Mary Joe Carson	230 Duke Street Anniston, New York 14607	Niece	One-fourth
Elizabeth H. Howard	2301 State Street Weaver, Ohio 44405	Mother	One-half

How To DESIGNATE A CONTINGENT BENEFICIARY

Type or print first name, middle initial, and last name of each beneficiary	Type or print address (including ZIP Code) of each beneficiary	Relationship	Share to be paid to each beneficiary
William J. Johnson, if living	244 South Ann Street Olney, Georgia 31204	Father	All
Otherwise to: Sarah L. Johnson	244 South Ann Street Olney, Georgia 31204	Sister	All

How To CANCEL A DESIGNATION OF BENEFICIARY SO THAT AMOUNT DUE WILL BE PAYABLE AS PROVIDED IN THE LAW

Type or print first name, middle initial, and last name of each beneficiary	Type or print address (including ZIP Code) of each beneficiary	Relationship	Share to be paid to each beneficiary
Cancel prior designations			

*Do not write name as C. M. Jackson or as Mrs. John H. Jackson.
**Be sure that the shares to be paid to the several beneficiaries add up to 100 percent.

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Standard Form 1152 (Third Side)

Standard Form 1152 September 1967 Title 4, GAO Manual 1152-106	DESIGNATION OF BENEFICIARY UNPAID COMPENSATION OF DECEASED CIVILIAN EMPLOYEE	IMPORTANT Read instructions on back of duplicate before filling in this form
INFORMATION CONCERNING THE EMPLOYEE:		
NAME— (Last) (First) (Middle)		DATE OF BIRTH (Month, day, year)
DEPARTMENT OR AGENCY IN WHICH EMPLOYED		
(Department or agency) (Bureau) (Division)		
<p><i>I, the employee named above, canceling any and all previous Designations of Beneficiary heretofore made by me, do now designate the beneficiary or beneficiaries named below to receive any UNPAID COMPENSATION due and payable after my death. I understand that this Designation of Beneficiary relates solely to money due as defined in 5 U.S.C. 5581, 5582, 5583, and in nowise will affect the disposition of any benefit which may become payable under the Retirement or Group Life Insurance Acts applicable to my Government service. I further understand that this Designation of Beneficiary will remain in full force and effect until (1) expressly changed or revoked by me in writing, (2) I transfer to another agency, or (3) I am reemployed by the same or another department or agency of the Government.</i></p>		
INFORMATION CONCERNING THE BENEFICIARY OR BENEFICIARIES:		
Type or print first name, middle initial, and last name of each beneficiary	Type or print address (including ZIP Code) of each beneficiary	Relationship
Share to be paid to each beneficiary		
<p><i>I hereby direct, unless otherwise indicated above, that, if more than one beneficiary is named, the share of any deceased beneficiary who may predecease me shall be distributed equally among the surviving beneficiaries, or entirely to the survivor. I understand that this Designation of Beneficiary shall be void if none of the designated beneficiaries is living at the time of my death.</i></p> <p><i>I hereby specifically reserve the right to cancel or change any designation of beneficiary at any time in the manner and form prescribed by the Comptroller General of the United States, and without knowledge or consent of the beneficiary.</i></p>		
(Date of execution—month, day, year)		(Signature of employee)
WITNESSES TO SIGNATURE:		
(Signature of Witness)	(Number and street)	(City, State, and ZIP Code)
(Signature of Witness)	(Number and street)	(City, State, and ZIP Code)
PRINT OR TYPE NAME AND ADDRESS (INCLUDING ZIP CODE) OF EMPLOYEE		THIS SPACE RESERVED FOR RECEIVING DATA OF EMPLOYING AGENCY
<div style="border: 1px solid black; width: 100%; height: 100%; position: relative;"> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; border: 1px solid black;"></div> </div>		(Indicate date and by whom received)
DELIVER BOTH COPIES TO THE PROPER OFFICER OF YOUR AGENCY—DUPLICATE WILL BE NOTED AND RETURNED		
DUPLICATE		

See 4 GAO 17

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Standard Form 1152 (Fourth Side)

IMPORTANT NOTICE—Order of Precedence

If there is no designated beneficiary living, any unpaid compensation which becomes payable after the death of an employee will be payable to the first person or persons listed below who are alive on the date title to the payment arises.

1. To the widow or widower.
2. If neither of the above, to the child or children in equal shares, with the share of any deceased child distributed among the descendants of that child.
3. If none of the above, to the parents in equal shares or the entire amount to the surviving parent.
4. If there be none of the above, to the duly appointed legal representative of the estate of the deceased employee, or if there be none, to the person or persons determined to be entitled thereto under the laws of the domicile of the deceased employee.

It is not necessary for any employee to designate a beneficiary unless he wishes to name some person or persons not included above, or in a different order.

INSTRUCTIONS

1. The examples printed on the back of the first page of this form may be helpful in executing the Designation of Beneficiary.
2. All entries on the form except signatures should be typed or printed in ink (typewriting preferred). All designations of beneficiary or beneficiaries should be executed on the prescribed form of Designation of Beneficiary, Standard Form 1152, and must be signed and witnessed.
3. Complete the form in duplicate and file with the agency in which employed. A Designation of Beneficiary must be received by the employing agency prior to the death of the designating employee to be valid. The duplicate will be noted and returned to the employee as evidence that the original has been received and filed. It is suggested that the duplicate be filed with the employee's important papers.
4. Cancellation of a prior Designation of Beneficiary may be effected without the naming of a new beneficiary by executing a new Designation of Beneficiary, Standard Form 1152, and inserting in the space provided for name of beneficiary the words, "Cancel prior designations." The effect of this action will require payment to be made in the order of precedence stated above.
5. A designation will remain valid until expressly changed or revoked, until the employee transfers to another agency, or until reemployed by the same or another department or agency of the Government. In case of separation and reemployment, or transfer to another agency, a new Designation of Beneficiary should be executed if the order of precedence established by the act is not acceptable. It is not necessary to file a new designation where the name or address of the employee or of beneficiary is changed.
6. A designation free of erasures or alterations should be filed in order to avoid a possible contest after death.
7. In the absence of the prescribed form, any designation, change, or cancellation of beneficiary witnessed and filed in accordance with the general requirements of these instructions shall be acceptable.

This Designation of Beneficiary form is to be used solely for the disposition of unpaid compensation at death of a civilian employee and is not to be confused with Standard Form 2048, Designation of Beneficiary, Civil Service Retirement System, or Standard Form 14, Designation of Beneficiary, Federal Employees' Group Life Insurance Act of 1954.

U. S. GOVERNMENT PRINTING OFFICE : 1964 O—291-967

See 4 GAO 17

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Standard Form 1153 (Back)

Part D

1. If none of the above survives and an executor or administrator has been appointed, the following statement should be completed:

I/we have been duly appointed _____ of the estate of the deceased, as evidenced by certificate of appointment herewith, administration having been taken out in the interest of

(Name, address, and relationship of interested relative or creditor)

and such appointment is still in full force and effect.

NOTE.—If making claim as the executor or administrator of the estate of the deceased, no witnesses are required, but a court certificate evidencing your appointment must be submitted.

2. If no administrator or executor has been appointed, will one be appointed? _____
(Yes or No)

DESIGNATED BENEFICIARY, SURVIVING SPOUSE, CHILDREN, PARENTS, OR LEGAL REPRESENTATIVES DO NOT
FILL IN PART E. ALL OTHERS MUST.

Part E

Have the funeral expenses been paid? _____ (Yes or No) (If paid, receipted bill of the undertaker must be attached hereto.) Whose money was used to pay the funeral expenses? _____

FINES, PENALTIES, and FORFEITURES are imposed by law for the making of false or fraudulent claims against the United States or the making of false statements in connection therewith

_____ (Signature of claimant)	_____ (Date)	_____ (Signature of claimant)	_____ (Date)
_____ (Street address)		_____ (Street address)	
_____ (City, State, and ZIP code)		_____ (City, State, and ZIP code)	

TWO WITNESSES ARE REQUIRED

We certify that we are well acquainted with the above _____ and that
(Name(s) of claimant(s))
the signature(s) of the claimant(s) was (were) affixed in our presence.

_____ (Signature of witness)	_____ (Signature of witness)
_____ (Street address)	_____ (Street address)
_____ (City, State, and ZIP code)	_____ (City, State, and ZIP code)

All Government checks in the possession of the claimant, drawn to the order of the decedent in payment of "unpaid compensation," should accompany this claim. All Government checks drawn to the order of the decedent for other purposes (such as veterans' benefits, social security benefits, or Federal tax refunds) should be returned to the agency from which received.

• U. S. GOVERNMENT PRINTING OFFICE : 1977 O • 341-550 (3333)

See 4 GAO 17

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CLAIMS

Standard Form 1154 (Front)

Standard Form 1154 September 1967 Title 4, GAO Manual 1154-109	PUBLIC VOUCHER FOR UNPAID COMPENSATION DUE A DECEASED CIVILIAN EMPLOYEE	Voucher No. _____ Schedule No. _____																					
(Department and bureau, agency, or establishment) _____ (Location) _____		<div style="border: 1px solid black; padding: 10px; width: 150px; margin: 0 auto;"> PAID BY </div>																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;">NAMES AND ADDRESSES (INCLUDING ZIP CODES) OF PAYEES</th> <th style="width: 20%;">AMOUNT</th> </tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>			NAMES AND ADDRESSES (INCLUDING ZIP CODES) OF PAYEES	AMOUNT																			
NAMES AND ADDRESSES (INCLUDING ZIP CODES) OF PAYEES	AMOUNT																						
Net amount due as per summary on reverse hereof _____																							
Amount of unpaid compensation due _____, a civilian employee of the United States or the District of Columbia, who died on the _____ day of _____, 19____																							
Gross amount chargeable to appropriations and funds, as distributed below _____ \$ _____																							
<i>Pursuant to authority vested in me, I certify that the items listed herein are correct and proper for payment from the appropriation(s) and/or fund(s) indicated below.</i>																							
Date _____		(Authorized certifying officer) Title _____																					
ACCOUNTING CLASSIFICATION																							
Paid to the payee(s) named hereon by check No. _____ through _____ drawn on Treasurer, U.S., or on _____; or by cash in the amount of \$ _____ <div style="text-align: center; font-size: small;">(Name of bank)</div>																							
<div style="text-align: right;">*Payee _____</div>																							
<small>*If payment is made in cash, signature of the payee in acknowledgment of receipt of payment is required. If more than one payee, a receipt should be obtained for the amount paid to each and attached to the voucher.</small>																							

SF 1154-A Public Voucher for Unpaid Compensation Due a Deceased
Civilian Employee (memorandum)

See 4 GAO 17

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CLAIMS

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Standard Form 1154 (Back)

Summary of "UNPAID COMPENSATION" of the deceased civilian employee named on the face of this Public Voucher:

	Amount
Lump sum payment for annual leave.....	_____
Salary or pay for which checks have not been issued.....	_____
Reimbursement for travel expenses.....	_____
Allowances.....	_____
Cash awards for employees' suggestions.....	_____
Unnegotiated checks drawn in payment of such compensation and deposited:	

Check No.	Date	Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____
Unapplied balances on U.S. Savings Bond purchases.....		_____
TOTAL CHARGEABLE TO APPROPRIATIONS, SPECIAL FUNDS, ETC.....		_____

Less amounts deducted or withheld:

Outstanding travel advances.....	_____
Civil service retirement.....	_____
Employee life insurance.....	_____
Health benefits.....	_____
Other.....	_____
NET AMOUNT DUE.....	_____

PREVIOUS PARTIAL PAYMENTS OF "UNPAID COMPENSATION"

_____	_____	_____
_____	_____	_____
_____	_____	_____
(Voucher number)	(Date paid)	(D.O. symbol)

U.S. GOVERNMENT PRINTING OFFICE : 1961 O-340-041

See 4 GAO 17

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CLAIMS

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Standard Form 1174 (Back)

Part D

1. If none of the above survives and an executor or administrator has been appointed, the following statement should be completed:

I/we have been duly appointed _____ of the estate of the deceased, as evidenced by certificate of appointment herewith, administration having been taken out in the interest of

(Name, address, and relationship of interested relative or creditor)

and such appointment is still in full force and effect.

NOTE.—If making claim as the executor or administrator of the estate of the deceased, no witnesses are required, but a court certificate evidencing your appointment must be submitted.

2. If no administrator or executor has been appointed, will one be appointed? _____
(Yes or No)

DESIGNATED BENEFICIARY, SURVIVING SPOUSE, CHILDREN, PARENTS, OR LEGAL REPRESENTATIVES DO NOT
FILL IN PART E. ALL OTHERS MUST.

Part E

Have the funeral expenses been paid? _____ (If paid, receipted bill of the undertaker must be attached hereto.) Whose money was used to pay the funeral expenses? _____

FINES, PENALTIES, and FORFEITURES are imposed by law for the making of false or fraudulent claims against the United States or the making of false statements in connection therewith

_____ (Signature of claimant)	_____ (Date)	_____ (Signature of claimant)	_____ (Date)
_____ (Street address)		_____ (Street address)	
_____ (City, State, and ZIP code)		_____ (City, State, and ZIP code)	

TWO WITNESSES ARE REQUIRED

We certify that we are well acquainted with the above _____ and that
(Name(s) of claimant(s))
the signature(s) of the claimant(s) was (were) affixed in our presence.

_____ (Signature of witness)	_____ (Signature of witness)
_____ (Street address)	_____ (Street address)
_____ (City, State, and ZIP code)	_____ (City, State, and ZIP code)

All Federal checks in possession of the claimant, drawn to the order of the decedent, in payment of pay and allowances should accompany this claim.

* GPO: 1974 O-526-533

See 4 GAO 26

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CLAIMS

Standard Form 1176

Standard Form 1176 September 1967 Title 4, GAO Manual 1176-105	PUBLIC VOUCHER FOR UNPAID PAY AND ALLOWANCES DUE A DECEASED MEMBER OF THE ARMED FORCES	Voucher No. _____ Schedule No. _____ <div style="border: 1px solid black; padding: 5px; text-align: center; margin-top: 10px;"> PAID BY </div>
_____ (Department and bureau, agency, or establishment)		
_____ (Location)		
NAMES AND ADDRESSES (including Zip Codes) OF PAYEES		AMOUNT
TOTAL		
The above total represents the following unpaid pay and allowances due _____ <div style="text-align: right;">(Name)</div>		
_____ (Rank or rating)	_____ (Service number and name of service)	
Military Pay Record or other pay account \$_____		
Unnegotiated U.S. Government checks \$_____		
All other (per diem, travel, transportation, savings deposits, etc.) \$_____		
Gross amount chargeable to appropriations and funds, as distributed below \$_____		
<i>Pursuant to authority vested in me, I certify that the items listed above are correct and proper for payment from the appropriation(s) and/or fund(s) indicated below.</i>		
<div style="text-align: right;">_____ (Authorized certifying officer)</div>		
Date _____	Title _____	
ACCOUNTING CLASSIFICATION		
Paid by Check No. _____ through _____		

U.S. GOVERNMENT PRINTING OFFICE : 1974 O-537-042

SF 1176-A Public Voucher for Unpaid Pay and Allowances
 Due a Deceased Member of the Armed Forces (memorandum)

See 4 GAO 26

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GAO MANUAL FOR GUIDANCE OF FEDERAL AGENCIES
Title--4 Claims

CHECK LIST OF TRANSMITTAL SHEETS

Upon receipt of each transmittal sheet, the recipient should place his initials in the blank following the appropriate number. A break in the continuity of transmittal sheets received will indicate missing changes.

TS No.	Initials	TS No.	Initials	TS No.	Initials
4-22	_____	4-39	_____	4-56	_____
4-23	_____	4-40	_____	4-57	_____
4-24	_____	4-41	_____	4-58	_____
4-25	_____	4-42	_____	4-59	_____
4-26	_____	4-43	_____	4-60	_____
4-27	_____	4-44	_____	4-61	_____
4-28	_____	4-45	_____	4-62	_____
4-29	_____	4-46	_____	4-63	_____
4-30	_____	4-47	_____	4-64	_____
4-31	_____	4-48	_____	4-65	_____
4-32	_____	4-49	_____	4-66	_____
4-33	_____	4-50	_____	4-67	_____
4-34	_____	4-51	_____	4-68	_____
4-35	_____	4-52	_____	4-69	_____
4-36	_____	4-53	_____	4-70	_____
4-37	_____	4-54	_____	4-71	_____
4-38	_____	4-55	_____	4-72	_____

U.S. GENERAL ACCOUNTING OFFICE
441 G St., N.W., Washington, D.C.

U. S. GOVERNMENT PRINTING OFFICE : 1978 O - 269-672

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